

**INTERGOVERNMENTAL AGREEMENT
ESTABLISHING THE
COLORADO RIVER FIRE RESCUE AUTHORITY**

This Intergovernmental Agreement Establishing the Colorado River Fire Rescue Authority ("**Agreement**") is entered into by, between, and among the following governmental entities, all of the County of Garfield, State of Colorado:

CITY OF GLENWOOD SPRINGS, a municipal corporation ("**City**");

RIFLE FIRE PROTECTION DISTRICT, a political subdivision of the State ("**Rifle Fire**");

BURNING MOUNTAINS FIRE PROTECTION DISTRICT, a political subdivision of the State ("**Burning Mountains Fire**"); and,

GLENWOOD SPRINGS RURAL FIRE PROTECTION DISTRICT, a political subdivision of the State ("**Glenwood Springs Fire**").

The foregoing governmental entities that are signatories to this Agreement are collectively referred to herein as the "**Parties**" or individually as a "**Party**".

RECITALS

A. Article XIV, Section 18(2)(a) of the Colorado Constitution encourages and authorizes the use of intergovernmental agreements for the efficient and economical provision of governmental services.

B. Pursuant to Part 2 of Article 1 of Title 29 of the Colorado Revised Statutes, the Parties are granted the authority to enter into intergovernmental agreements to provide any function, service, or facility lawfully authorized to each of the cooperating or contracting Parties, including the sharing of costs, the imposition of fees or taxes, and the creation of a separate legal entity to carry out such functions or provide such services or facilities.

C. Each of the Parties to this Agreement is authorized to provide fire suppression, fire protection, and public education, rescue, extrication, hazardous materials, ambulance, and emergency medical services for the health, safety, and welfare of their respective citizens, the citizens of Garfield County, and the State of Colorado (collectively, "**Emergency Services**").

D. The Parties mutually desire to cooperate with and among each other for the purpose of establishing a separate legal public entity to be known as the "Colorado River Fire Rescue Authority" ("**Authority**") to provide the Emergency Services, including, but not limited to, agreement as to means and methods of funding of the Authority, so as to carry out the Emergency Services and related functions described hereinabove.

NOW THEREFORE, in consideration of these premises and the mutual covenants set forth herein below, the Parties agree as follows:

AGREEMENT

1. **Creation of Authority.** There is hereby created and established a separate and distinct legal entity to be known as the "Colorado River Fire Rescue Authority".
2. **Legal Status of the Authority.** The Authority shall be a separate legal entity and public entity as defined in the Colorado Governmental Immunity Act, C.R.S. § 24-10-103, *et seq.*
3. **Principal Place of Business.** The principal place of business of the Authority shall be established by its governing Board of Directors.
4. **Jurisdiction and Service Area.** The Authority's jurisdiction and boundaries shall at all times include all property located within the Parties' joint boundaries, as such boundaries may be adjusted from time to time through annexation, de-annexation, inclusion, exclusion, or otherwise. The Authority's service area may extend beyond the Parties' joint boundaries through automatic or mutual aid agreements between the Authority and other emergency services providers.
5. **Powers and Functions of the Authority.** The Authority shall be responsible for providing the Emergency Services to the citizens and property within the Parties' joint jurisdiction and boundaries. To enable the Authority to perform the Emergency Services and related functions, the Authority shall have the following powers:
 - a. To conduct its business and affairs for the benefit of the Authority, the Parties, and their respective residents and property owners, visitors, and other citizens of the State of Colorado, subject to all federal, State, and local constitutional, statutory, and common laws, rules, regulations, ordinances, codes, and protocols that apply directly or indirectly to one or more of the Parties and/or their council members, directors, officers, employees, volunteers, agents, or representatives (collectively, "***Applicable Law***").
 - b. To enter into, make, and perform contracts of every kind as authorized by Applicable Law with other local governmental or public entities, the State of Colorado or any political subdivision thereof, the United States or any political subdivision thereof, and any individual, firm, association, partnership, corporation, or any other organization of any kind.
 - c. To acquire, hold, lease as "Lessor" or "Lessee", sell, or otherwise dispose of any legal or equitable interest in real or personal property, reasonably necessary or appropriate for performance of the Emergency Services and related functions.
 - d. To establish, fix, maintain, increase, collect, and receive such fees, rates, and charges for the Emergency Services and related functions or facilities provided by the Authority subject to all Applicable Laws. All such fees collected shall be deposited and held in a public depository as defined by Applicable Law, in one or more accounts until used or disbursed for carrying out the Emergency Services and related functions in accordance with this Agreement.
 - e. To incur debts, liabilities, or obligations, to the extent and in the manner permitted by Applicable Law, and borrow money, and, from time to time, to make, accept, endorse,

execute, issue, and deliver notes and other obligations of the Authority for monies borrowed, or in payment for property acquired, or for any of the other Emergency Services or related functions of the Authority; and as provided by Applicable Law, and to the extent permitted by Applicable Law, to secure the payment of any such obligations by mortgage, pledge, deed, indenture, agreement, or other collateral instrument, or by other lien upon assignment of all or any part of the properties, rights, assets, contracts, easements, revenues, and privileges of the Authority.

The Authority shall have no independent authority or power to levy or collect taxes of any kind.

f. To own, operate, and maintain real and personal property and facilities in common with others, and to conduct joint, partnership, cooperative, or other operations with others, and to exercise all the powers granted herein in joint, partnership, or cooperative efforts and operations with others.

g. To act as agent on behalf of the Parties with regard to the Emergency Services and related functions, including, but not limited to, negotiating and entering into contracts with third parties to provide some or all of the Emergency Services and related functions.

h. To hire, retain, and direct employees, volunteers, and professional consultants, including, but not limited to, attorneys, accountants, and auditors.

i. To sue, and to be sued, in its own name.

j. To adopt by motion, or by resolution when required by Applicable Law or deemed appropriate by the Authority, such actions regarding the exercise of its powers and carrying out of the Emergency Services and related functions.

k. To receive contributions, donations, gifts, bequests, or other grants of cash, equipment, or services for the Authority, the Parties, or other entities, individuals, or political subdivisions.

l. To exercise any express, implied, or inherent power lawfully authorized to each of the Parties, necessary and proper for the functioning of the Authority.

m. To exercise any other powers essential to the provision of the Emergency Services and related functions by the Authority and that are specified or necessarily inferred by the terms of this Agreement.

n. To adopt bylaws, and such rules, policies, and procedures (collectively, "**Rules**"), as it deems necessary, provided such bylaws and Rules are in compliance with Applicable Law and this Agreement.

o. To provide training for the Authority's agents, employees, volunteers, Directors, and the public on any topic related to the Authority's purposes.

6. Governance.

a. Authority Board of Directors. The governing body of the Authority shall be the Board of Directors ("**Board**"), in which all power of the Authority, express, implied, and inherent, is vested.

i. Number. At any time that there are three or fewer Parties to this Agreement, the number of Directors shall be two times the number of Parties to this Agreement and one additional *ex officio* Director; in such case, the governing body of each Party shall appoint two Directors and one or more alternate Directors. At any time that there are four or more Parties to this Agreement, the number of Directors shall be the same as the number of Parties to this Agreement and one additional *ex officio* Director; in such case, the governing body of each Party shall appoint one Director and one or more alternate Directors. The terms "**Director**" or "**Directors**" shall include each Party's appointed Director(s) or, in his/her absence, alternate Director(s), and the *ex officio* Director. Each Director shall be entitled to cast one vote, except that the *ex officio* Director shall be entitled to cast a vote only in the event of a tie vote.

ii. Appointment and Director Terms.

1. Each Director and alternate Director appointed by a Party shall be a current member of, and shall serve at the pleasure of, that Party's governing body. Each Party may, at any time, in its sole discretion, replace its principal and/or alternate Director(s).

2. Subject to paragraphs 6(a)(ii)(2)(A)-(C) below, the Garfield County Board of County Commissioners ("**BOCC**") shall appoint the *ex officio* Director. An *ex officio* Director appointed by the BOCC shall be a current member of, and shall serve at the pleasure of, the BOCC. The BOCC may, at any time, in its sole discretion, replace an *ex officio* Director appointed by the BOCC.

A. In the event that the BOCC fails or refuses, for any reason, to appoint an *ex officio* Director for a period longer than 30 calendar days, the Board may provide notice to the BOCC of its intent to appoint the *ex officio* Director pursuant to paragraph 6(a)(ii)(2)(B) below ("**Notice of Intent**").

B. If the BOCC fails or refuses, for any reason, to appoint an *ex officio* Director within 30 calendar days of the Notice of Intent, the Board, through an affirmative majority vote, may appoint an at-large eligible elector of a Party as the *ex officio* Director; except that, such eligible elector shall not be a member of any Party's governing body or any Party's employee, volunteer, agent, or representative. The Board may, at any time, in its sole discretion, replace an *ex officio* Director appointed by the Board pursuant to this paragraph with another at-large eligible elector of a Party who is not a member of any Party's governing body or any Party's employee, volunteer, agent, or representative.

C. The BOCC may, within 30 calendar days after any regular special district election, or at any time with approval of the Board through an affirmative majority vote, replace an *ex officio* Director appointed by the Board pursuant to paragraph

6(a)(ii)(2)(B) above and appoint a current member of the BOCC as *ex officio* Director pursuant to paragraph 6(a)(ii)(2).

iii. Vacancies. A vacancy occurring in the Board due to resignation, death, removal, or disability shall be filled in the same manner as appointment of a Director as provided above.

iv. Compensation. Directors shall not receive compensation for their services. The Board may provide for reimbursement to the Directors of their actual and reasonable expenses incurred on behalf of the Authority, which shall not constitute compensation.

v. Board Action. Final actions or decisions of the Board may be taken or made only at properly called and noticed regular or special meetings of the Board at which a quorum is present. Except as otherwise provided in this Agreement, final actions or decisions of the Board shall be made by the affirmative vote of a simple majority of the Directors present at a properly called and noticed regular or special meeting at which a quorum is present.

b. Meetings.

i. Regular Meetings. Regular meetings of the Board shall be conducted not less than monthly during each calendar year on a schedule established by the Board and held at the principal place of business of the Authority, which shall be identified in any notice of such meetings. Unless the Board otherwise specifically provides, the principal place of business of the Authority shall be 1850 Railroad Avenue, Rifle, Colorado 81650.

ii. Meeting Quorum. A quorum for the conduct of business at meetings of the Board shall consist of one-half of the Directors then duly appointed, plus one additional Director. Vacancies and the *ex officio* Director position shall not be counted for purposes of determining the number of Directors necessary to achieve a quorum. If less than a quorum is present, the Directors present shall not conduct any Authority business, but may continue the meeting to a later time, provided that the Board Secretary shall notify any absent Directors of the re-scheduled time and place of such continued meeting.

iii. Special Meetings. Special meetings of the Board may be called by the Board President or any two Directors, and it shall thereupon be the duty of the Board Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the Board shall be held at such time and place as shall be fixed by the Board President or Directors calling the meeting. "Work sessions" or "study sessions" shall constitute special meetings.

iv. Emergency Meetings. Any three or more Directors may call an emergency meeting in the event of an emergency that requires the immediate action of the Board in order for the Authority to carry out its Emergency Services and related functions. The Board Secretary shall properly notify other Directors that an emergency meeting has been called. At such emergency meeting, the Board by affirmative vote of one-half of those present, plus one more, may take any action within the express and implied powers of the Authority to carry out its

Emergency Services and related functions; provided, however, any action taken at an emergency meeting shall be effective only until the first to occur of: (a) the next regular meeting, or (b) the next special meeting of the Board at which the emergency issue is on the public notice of such meeting. At such subsequent meeting, the Board may ratify any emergency action taken. If any emergency action taken is not ratified, then it shall be deemed rescinded.

v. Notice of Meetings. Notice of a regular or special meeting shall be provided in conformance with the Colorado Open Meetings Law, C.R.S. § 24-6-402, *et seq.* Written notice of any rescheduled regular meeting or any special meeting shall be delivered to each Director and each Party not less than seventy-two hours before the date fixed for such meeting, either personally, or by facsimile, e-mail, or US mail (postage prepaid), by or at the direction of the Board Secretary. If mailed, the notice shall be deemed delivered three days following deposit in the United States mail, addressed to the Director or Party at the Director's or Party's address as it appears on the records of the Authority.

vi. Waiver of Notice. Whenever any notice is required to be given to a Director under the provisions of Applicable Law or this Agreement, the Director's written waiver of the notice, whether before or after the time stated in the notice, shall be equivalent to the giving of the notice. A Director's attendance at a Board meeting shall constitute the Director's waiver of notice of the meeting, unless the Director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully convened, provided written notice of the objection is entered into the meeting minutes.

vii. Open Meetings. All regular and special meetings of the Board shall be open to the public and subject to the provisions of the Colorado Open Meetings Law, C.R.S. § 24-6-402, *et seq.* Members of the public may be invited to comment or speak in accordance with rules established by the Board.

viii. Procedural Rules Governing Regular and Special Meetings. To the extent practicable, the Board shall follow the latest edition of *Robert's Rules of Order* as a procedural guide for conducting meetings, with the following amendments: (a) the reading of the text of minutes, financial statements, or proposed Resolutions into the record is not required; and (b) the Chairperson may make a motion and may vote on a motion; except that if the *ex officio* Director acts as the Chairperson, he/she shall be entitled to cast a vote only in the event of a tie vote.

c. Duties of the Board. The duties of the Board shall be:

i. To conduct and govern the business and affairs of the Authority in accordance with this Agreement and all Applicable Law.

ii. To lawfully exercise all express, implied, and inherent powers of the Authority in accordance with this Agreement and all Applicable Laws through affirmative majority vote of the Board, as provided in this Agreement.

iii. To comply with the provisions of Parts 1, 5, and 6 of Article 1, Title 29 of C.R.S., as amended, regarding budget preparation, accounting, and auditing.

iv. To collect, deposit, invest, and disburse the funds of the Authority, as determined by an affirmative majority vote, in accordance with this Agreement and all Applicable Laws.

v. To provide for the services of a firm of independent certified public accountants to examine, at least annually, the financial records and accounts of the Authority, and to report thereupon to the Board.

vi. To adopt such bylaws and Rules as appropriate for the conduct of its business not in conflict herewith.

vii. To keep formal records of the Authority's proceedings, including written minutes of all regular and special meetings, and electronic recordings of executive sessions, where appropriate or required by Applicable Law.

viii. To establish performance standards, including record keeping and reporting, for the Emergency Services and related functions provided by, through, or to the Authority, and require the same be met by any entity providing all or part of the Emergency Services and related functions to the Authority; provided, however, that any such performance standards shall be consistent with those provided in paragraph 10 of this Agreement.

ix. To assemble, collate, and prepare an annual report, in writing, to be submitted annually to each Party hereto, no later than January 31 of the subsequent calendar year.

x. To hire and supervise the Authority Fire Chief, who shall have all powers and authorities provided to a fire chief pursuant to the Special District Act, C.R.S. § 32-1-1002, and other Applicable Law. The Fire Chief shall be the chief executive officer of the Authority, and, subject to the supervision of the Board, shall supervise and manage all business and affairs of the Authority pursuant to this Agreement, including without limitation, the operation, maintenance, management, administration, and provision of all Emergency Services, facilities, improvements, equipment, and apparatus, and the employment and volunteer service of all paid and volunteer personnel. The Fire Chief shall have an ongoing duty of full accountability and transparency to the Board.

d. Board Officers. The officers of the Authority shall be a President, Vice-President, Treasurer, Secretary, and such other officers and assistant officers as may be authorized by the Board from time to time to perform such duties as may be approved by the Board. The President, Vice-President, and Treasurer shall be Directors. The Secretary and other Authority officers may, but need not, be Directors.

i. Appointments and Term of Office. At the first meeting of the Board following the Effective Date, the members of the Board shall elect officers. Thereafter, the Board shall elect officers annually at its regularly scheduled meeting in June of each calendar year, or as soon thereafter as reasonably practicable. The Board also may hold officer elections at any other time upon an affirmative majority vote. A vacancy in any office may be filled by an

affirmative majority vote for the unexpired portion of the term at any regular or special Board meeting. Newly elected or newly appointed officers shall assume the duties of their respective offices at the close of the meeting at which they were elected or appointed.

ii. Removal. The Board may remove an officer through an affirmative majority vote of the Board, with or without cause, in its sole discretion.

iii. Duties of Officers. In addition to duties designated by the Board, the duties of the officers shall include:

1. President. The President shall be a Director. Except as otherwise delegated by the Board, the President shall execute all legal instruments of the Authority, which shall be attested by the Board Secretary, or, in the Board Secretary's absence, another Director. The President shall serve as the Chairperson and preside at all meetings of the Board.

2. Vice-President. The Vice-President shall be a Director. In the President's absence or if the President is unable or refuses to act, the Vice-President shall execute all legal instruments of the Authority, and shall serve as the Chairperson, and when so acting, shall have all the powers of and be subject to all restrictions upon the Chairperson.

3. Secretary. The Secretary may, but need not, be a Director. The Secretary shall maintain the official records of the Authority, including this Agreement, bylaws, Rules, meeting minutes, and electronic records of executive sessions (for 90 days or as otherwise designated by the Board). The Secretary shall maintain a register of the names and addresses of the Parties, Directors, alternates, and officers, and shall issue notice of meetings. The Board may appoint a separate recording secretary for taking and preparing meeting minutes. If the person performing the duties of Secretary is not a Director, that person may be compensated as the Board deems appropriate.

4. Treasurer. The Treasurer shall be a Director. The Treasurer shall serve as the Authority's financial official, and pursuant to the fiscal resolution adopted by the Board governing the Authority's financial transactions and the restrictions imposed by Applicable Law, shall be responsible for the receipt, custody, disbursement, and accounting of the Authority's funds and securities, and duties incident to the office of Treasurer, but not the investment of Authority funds. The accounting function shall be provided by an independent contractor under the supervision of the Treasurer and shall be reviewed by the Board as it deems appropriate. Placement of Authority funds for investment shall be as determined through an affirmative majority vote of the Board.

iv. Holding Multiple Offices Prohibited. No Director shall hold more than one office at the same time.

v. Bonds of Officers. The Treasurer and any other officer or agent of the Authority charged with the responsibility for the custody of any Authority funds or property shall give a bond in such sum and with such surety, if any, as the Board shall determine. The Board, in its discretion, also may require any other Authority officer, employee, volunteer, or agent to

give a bond in such amount and with such surety as the Board shall determine. The Authority shall pay for all bonds.

vi. Execution of Contracts. Except as otherwise provided by Applicable Law, the Board may authorize any officer, employee, volunteer, or agent to enter into any contract, or execute and deliver any instrument in the name and on behalf of the Authority.

vii. Negotiable Instruments. Checks, notes, drafts, and commercial paper, when authorized by the Board, shall be signed in the name of the Authority by such officer(s) or agent(s), and in such manner, as the Board shall authorize from time to time.

7. Budget and Operating Costs.

a. Authority's Annual Budget.

i. In General. Pursuant to the Budget Approval Process set forth in paragraph 7(a)(iii) below, the Board shall adopt an annual budget for the Authority for the cost of supplies and services, capital improvements, equipment and real property (including equipment and real property leases), operations, personnel, administration, maintenance, and any other expenditure or reserve required for provision of the Emergency Services and related functions provided under this Agreement. The budget shall seek to identify opportunities for cost savings and cost avoidance, and to balance expenditures with the establishment and maintenance of reserve funds, as necessary.

ii. Initial Budget and Contributions. The budget for the Authority beginning on the Effective Date and ending on December 31 of that calendar year, and the initial contribution of each Party that is a signatory to this Agreement as of the Effective Date ("**First Party Initial Contribution**"), is set forth in the attached **Exhibit A**.

1. Subsequent Budget and Contributions. Notwithstanding anything herein to the contrary, and subject to the requirements of Applicable Law, the initial budget and any subsequent annual budget for the Authority may be amended at any time upon the affirmative majority vote of the Board, for the purpose of reflecting the Authority's anticipated receipts and expenditures associated with the execution of this Agreement by a Party that is a signatory to this Agreement after the Effective Date. Such amended budget shall identify the initial contribution of each Party that is a signatory to this Agreement after the Effective Date ("**Subsequent Party Initial Contribution**") and shall be attached to this Agreement as an amendment at the time of such Party's execution of this Agreement. Any such amendment is hereby incorporated into this Agreement as if originally set forth herein.

2. Payment of Initial and Subsequent Party Contributions. Within 30 calendar days of signing this Agreement, each Party shall pay its First Party Initial Contribution or Subsequent Party Initial Contribution, as applicable.

iii. Budget Approval Process. On or before August 31 of each year, each Party shall submit to the Board, or, if designated by the Board, the Fire Chief, a statement of

such Party's anticipated Proportionate Share for the upcoming fiscal year and appropriate documentation identifying the basis for such anticipated amount. On or before September 1 of each year, the Fire Chief shall submit to the Board any such Party statements and documentation received by the Fire Chief, and a statement of anticipated expenditures for the upcoming fiscal year. Commencing September 1, or upon receipt of all Parties' anticipated Proportionate Share statements and the Fire Chief's statement of anticipated expenditures, whichever shall first occur, the Board shall prepare a preliminary draft of the Authority's upcoming fiscal year budget. On or before October 1 of each year, the Board shall submit to each Party the preliminary draft of the Authority's upcoming fiscal year budget. Each Party shall have until October 14 to provide to the Board written comments on the preliminary draft budget. Commencing October 15, or upon receipt of all Parties' comments, whichever shall first occur, the Board shall prepare a final draft of the Authority's upcoming fiscal year budget, subject to minor revisions required as a result of the Assessor's certification of the final assessed values in December. The final draft budget shall be submitted to the Parties on or before November 15. A Party shall be deemed to have approved the final draft of the Authority's upcoming fiscal year budget (including any minor revisions required as a result of the Assessor's certification of final assessed values in December), unless the Party disapproves the final draft budget in accordance with paragraph 7(a)(iv) below.

iv. Budget Disapproval, Payment, and Resolution Process. Any Party may disapprove in writing the final draft budget anytime on or before November 30. The Party shall state with specificity the reason(s) for disapproving the final draft budget. If a Party's written disapproval is based, in whole or in part, on the calculation of the Party's Proportionate Share, the Party nevertheless shall pay its Proportionate Share set forth in the final draft budget (including any minor revisions required as a result of the Assessor's certification of final assessed values in December) in accordance with the payment schedule set forth in paragraph 7(b)(ii) below. Any payment(s) made shall not waive the Party's right to exercise all remedies available at law or in equity to recover any amounts wrongfully, erroneously, or incorrectly paid to the Authority. Prior to commencing a legal or equitable action, the disapproving Party, the Authority, and any other affected Party(ies) shall refer the matter to dispute resolution pursuant to paragraph 18(h) below.

b. Proportionate Share.

i. Subject to non-appropriation pursuant to paragraph 16 below, each year after the calendar year in which a Party pays its First Party Initial Contribution or Subsequent Party Initial Contribution, as applicable, such Party shall pay to the Authority the Party's "***Proportionate Share***", which shall be calculated as follows:

1. For Rifle Fire, Burning Mountains Fire, and Glenwood Springs Fire: An amount equal to the total assessed value within such Party's jurisdictional boundaries multiplied by an *ad valorem* property tax of not less than 6.102 mills.

2. For the City: The Board shall, upon affirmative majority vote, determine the City's Proportionate Share calculation at the time the City executes this Agreement. Such City Proportionate Share calculation shall be set forth in writing and attached

to this Agreement as an amendment at the time the City executes this Agreement. Any such amendment is hereby incorporated into this Agreement as if originally set forth herein.

ii. Each Party shall pay its Proportionate Share to the Authority in four equal payments, such payments to be made on or before the first day of January, April, July, and October of each year.

iii. Upon request of a Party(ies), the Authority shall perform a year-end reconciliation of each Party's projected Proportionate Share and their actual Proportional Share. If, as a result of such year-end reconciliation of the projected Proportionate Share and the actual Proportionate Share, equitable adjustment is determined by an affirmative majority vote, the Board shall provide written notice to all affected Parties of the equitable adjustment and the manner in which the equitable adjustment shall be either collected or refunded.

c. All funds collected by the Authority shall be deposited in the name and to the credit of the Authority in such bank(s) or trust company(ies) as are authorized by law to hold such public funds, and shall be used solely for the provision of Emergency Services and related functions and in accordance with Applicable Law.

d. The Board shall not approve any claims or incur obligations for expenditures unless the reasonably anticipated revenues of the Authority are sufficient to cover all anticipated obligations or claims as they become due, unless such expenditure is previously approved by the affirmative majority vote of the Board.

e. All assets and properties of the Authority shall be held in trust for the purposes stated in this Agreement, including payment of liabilities of the Authority.

f. Commencing on January 1 of the calendar year following the Effective Date, the Parties shall convene a meeting once every three years to review, discuss, and compare each Party's respective funding sources, revenues and expenditures, Proportionate Shares, number of service calls received, and level of service received during the three preceding years, and any other matters relevant to the Authority's budget or calculation of the Parties' Proportionate Shares. Such meetings also may be conducted in between three-year periods, if requested by a majority of the Parties' governing bodies. Within 60 calendar days following any such meeting, any Party may submit a request to renegotiate and amend the calculation of the Parties' Proportionate Shares. Upon receipt of such request, the Parties shall engage in good faith negotiations to amend the calculation of the Parties' Proportionate Shares. If, despite the Parties' good faith negotiations, the Parties are not able to resolve the renegotiation and amendment of the Parties' Proportionate Shares, any Party may refer the matter to dispute resolution pursuant to paragraph 18(h) below.

8. Reserves.

a. Retention of Reserves by Party. Each Party shall retain as its sole and separate property all reserve funds, whether nonspendable, restricted, committed, assigned, or unassigned ("*Reserves*"), held by such Party as of the Effective Date or the date that such Party executes this

Agreement, whichever is later, as well as all funds that a Party may additionally contribute to its Reserves in the future.

b. Request for Reserves by Authority. Upon a determination by the Board that an appropriation from the Reserves of one or more Parties is necessary to provide for administrative, operational, or capital expenditures, the Board may submit a request, in writing, to the governing body(ies) of the Party(ies) from whom Reserves are requested. The written request shall state the amount of the requested Reserves, the purpose for which the Reserves are requested, and the reason that an appropriation from Reserves is necessary and/or appropriate. If the requested Reserves will be used to balance the Authority's budget as a result of deficit spending, the written request shall further describe the reason for the deficit spending and the steps that the Board is taking to reduce and/or eliminate future deficit spending. Each governing body may, in its sole discretion, grant, deny, or grant in part and deny in part the Authority's request for an appropriation from Reserves.

9. Debt.

a. Parties' Debt.

i. Existing Debt.

1. Except as provided in paragraph 9(a)(i)(2) below, on and after the Effective Date or the date that the Party executes this Agreement, whichever is later, each Party shall remain solely obligated to pay and discharge its bonded debt and other indebtedness, regardless of amount, form, or nature, incurred prior to such date. The Authority does not assume and shall have no liability to pay or discharge any bonded debt or other indebtedness of a Party incurred prior to the later of the Effective Date or the date that such Party executes this Agreement, except as provided in paragraph 9(a)(i)(2) below.

2. Notwithstanding paragraph 9(a)(i)(1) above, the Authority shall assume and be obligated to pay and discharge all of a Party's indebtedness, regardless of amount, form, or nature, incurred by the Party for the purpose of acquiring one or more items of Real and/or Personal Property transferred to the Authority pursuant to paragraphs 11(b) and 11(c) below. The Authority shall assume and be obligated to pay and discharge such indebtedness upon the occurrence of:

A. Payment of the Party's First Party Initial Contribution or Subsequent Party Initial Contribution, as applicable, pursuant to paragraph 7(a)(ii)(2) above; and

B. Transfer of the Party's Real and Personal Property to the Authority pursuant to paragraphs 11(b) and 11(c) below.

ii. New Debt. Any Party may, during the term of this Agreement, issue bonds, enter into other financing arrangements, or incur other indebtedness for the benefit of such Party, as determined in the sole discretion of the governing body of such Party. The payment and discharge of any such indebtedness shall remain the sole obligation of such Party,

and the Authority shall not assume or have liability to pay or discharge any such indebtedness incurred by a Party, unless there is a specific undertaking in writing by the Authority to do so, accompanied by an appropriation approved by requisite formalities.

b. Authority's Debt.

i. New Debt. The Authority may, during the term of this Agreement, enter into financing arrangements or incur other indebtedness permitted by Applicable Law for the benefit of the Authority; provided that, pursuant to paragraph 6(a)(v), such actions must be approved by an affirmative majority vote of the Board. The payment and discharge of any such indebtedness shall remain the sole obligation of the Authority, and no Party shall assume or have liability to pay or discharge any such indebtedness incurred by the Authority, unless there is a specific undertaking in writing by that Party to do so, accompanied by an appropriation approved by requisite formalities, or except as provided in paragraph 9(b)(ii) below.

ii. Debt Paid by Parties. Upon a determination by the Board that payment of all or a portion of one or more of the Authority's existing or anticipated debt obligations by the Parties is necessary or appropriate, the Board may submit a request, in writing, to the governing body of each Party. The written request shall state the total amount of the debt obligation(s), the portion of the total debt obligation(s) that the Board requests the Parties to pay, the purpose for which the debt obligation has been or will be incurred, and the reason that payment of all or a portion of the debt obligation(s) by the Parties is necessary or appropriate. Each governing body may, in its sole discretion, grant or deny the Authority's request. Payment of the Authority's debt obligation(s) by the Parties pursuant to this paragraph requires the approval of each Party's governing body accompanied by an appropriation approved by requisite formalities. Subject to non-appropriation pursuant to paragraph 16, if approved, each Party shall pay that proportion of the debt obligation(s) each year as is equal to its Proportionate Share relative to the total of all Parties' Proportionate Shares in such year pursuant to paragraph 7(b) above, unless the Parties mutually agree to a different proportion.

10. Service Levels and Reporting.

a. Response Tracking. The Authority shall track and record accurately the following information:

i. The Authority's total call volume and number of calls by type (for example, EMS, fire suppression, false alarm, hazmat) in each calendar month.

ii. The total number of dispatched calls responded to within each Party's jurisdictional boundaries in each calendar month.

iii. The total number of dispatched calls responded to pursuant to mutual and/or automatic aid, the entity(ies) that received mutual and/or automatic aid, and the number of mutual and/or automatic aid responses by entity in each calendar month.

iv. The Authority's average response time for all calls responded to within each Party's jurisdictional boundaries in each calendar month.

v. The Authority's average response time for all calls responded to within each response zone as identified on the charts and map attached as **Exhibit B** ("**Response Standards**") in each calendar month.

b. **Quarterly Report.** Commencing April 1, 2013, the Authority shall provide quarterly a written report to each Party and to the Authority Board that summarizes the Authority's Emergency Services during the preceding quarter. The quarterly report shall be provided within 14 calendar days following the end of the calendar quarter, and shall include, without limitation, the information identified in paragraph 10(a) above.

c. **Response Times.** Commencing January 1, 2013, the Authority shall have the emergent and non-emergent response times within each response zone as identified on the Response Standards attached as **Exhibit B**. For purposes of this Agreement and the Response Standards attached as **Exhibit B**, "**response time**" shall mean the period of time between when the Authority's dispatch center receives a call with a verifiable address and dispatches the Authority to respond and when the Authority's first response crew arrives on-scene, and "**staffed station**" shall mean a station that is staffed with Emergency Services personnel sufficient to meet at least minimum staffing requirements twenty-four hours per day, seven days per week.

i. **Exceptions to Response Time Requirements.** The Parties may by mutual written agreement prospectively grant or retrospectively approve an exception to the emergent and/or non-emergent response time requirements set forth in paragraph 10(c) above, if the Authority provides sufficient written justification as to why an exception should be granted or approved, as follows:

1. **Weather Conditions.** The existence of inclement weather of such severity that the Authority believes the threat to system-wide emergency response outweighs the threat to individual emergency response from a delayed response time and justifies a temporary suspension of response time requirements.

2. **System Overload.** The existence of unusual system overload within the Authority that justifies a temporary suspension of response time requirements and/or an exemption from response time requirements for specific dispatched calls.

3. **Disaster.** The existence of a disaster within the Authority or a neighboring area or community that justifies a temporary suspension of response time requirements. For purposes of this paragraph, a "disaster" may include, without limitation, widespread destruction or endangerment of lives caused by severe weather, flooding, severe or prolonged wildfires, military or civil actions, or other manmade or natural disasters.

4. **Other Good Cause.** The existence of other unusual or unique circumstances that justify a temporary suspension of response time requirements and/or an exemption from response time requirements for specific dispatched calls.

ii. Amendment of Response Times. The Parties may by mutual agreement modify the Response Standards at any time by approving and signing the modified Response Standards and substituting them as the Exhibit B to this Agreement.

11. Real and Personal Property.

a. Lease of Party Fire Stations. Within 90 days after the Effective Date or the date that it executes this Agreement, whichever is later, the City, Rifle Fire, and Burning Mountains Fire each shall lease its Party Fire Stations to the Authority for a period of 99 years at a rate of \$1.00 per year. Each leasing Party and the Authority shall enter into a Party Fire Station Lease Agreement in a form mutually acceptable to such leasing Party and the Authority. Each Party Fire Station Lease Agreement shall give both the leasing Party and the Authority the right to terminate such lease at any time for any business reason upon 90 days prior written notice to the other party; provided, however, that if the leasing Party terminates the Party Fire Station Lease Agreement, it must offer the Authority comparable alternative fire station space at the same rental rate for the balance of the 99 year term. Throughout the lease term, the Authority shall be responsible, at its sole cost and expense, for all routine maintenance and repair of the Party Fire Stations, and the leasing Party shall be responsible, at its sole cost and expense, for all capital improvement of its Party Fire Stations. For purposes of this Section 11, "**Party Fire Stations**" shall mean the following:

- i. With respect to the City – Fire Station 71, located at 0090 Mel Rey Road, Glenwood Springs, Colorado 81601; Fire Station 72, located at 806 Cooper Avenue, Glenwood Springs, Colorado 81601; and Fire Station 3, located at 1880 County Road 117, Glenwood Springs, Colorado 81601.
- ii. With respect to Rifle Fire – Fire Station 41, located at 1850 Railroad Avenue, Rifle, Colorado 81650; Fire Station 42, located at 0375 County Road 365, Rifle, Colorado 81650; and Fire Station 43, located at 419 Last Chance Drive, Rifle, Colorado 81650.
- iii. With respect to Burning Mountains Fire – Fire Station 61, located at 611 Main Street, Silt, Colorado 81652; Fire Station 62, located at 731 West Main Street, New Castle, Colorado 81647; and Fire Station 63, located at 5255 County Road 335, New Castle, Colorado 81647. The term "Party Fire Stations" does not include Burning Mountains Fire Station 64, located at 775 Castle Valley Boulevard, New Castle, Colorado 81647.

b. Transfer of Real Property. Within 90 days after the Effective Date or the date that it executes this Agreement, whichever is later, each Party shall transfer and convey all right, title, and interest in and to all real property, except its Party Fire Stations, including any structures, fixtures, and appurtenances thereon, owned or leased by such Party as of the Effective Date or the date that it executes this Agreement, as applicable, for the purpose of providing Emergency Services (collectively, "**Real Property**"). Conveyance of the Real Property shall be accomplished by Quit Claim Deeds in a form mutually acceptable to the transferring Party and

the Authority. The transferring Party shall not receive any monetary consideration for transferring and conveying all right, title, and interest in and to the Real Property to the Authority.

c. Transfer of Personal Property. Within 90 days after the Effective Date or the date that it executes this Agreement, whichever is later, each Party shall transfer and convey to the Authority all right, title, and interest in and to all apparatus, vehicles, tools, equipment, and all other personal property owned or leased by such Party as of the Effective Date or the date that it executes this Agreement, as applicable, for the purpose of providing Emergency Services (collectively, "**Personal Property**"). The Personal Property shall be transferred "as-is" with no warranty by the transferring Party; provided, that such Party shall assign any manufacturer's warranties on any Personal Property if such warranties are still in force and effect. Conveyance of the Personal Property shall be accomplished by one or more Bills of Sale in a form mutually acceptable to the transferring Party and the Authority. The transferring Party shall not receive any monetary consideration for transferring and conveying all right, title, and interest in and to all Personal Property to the Authority.

d. Asset Inventory. All Real and Personal Property identified in paragraphs 11(b) and 11(c) above with a fair market value of \$5,000.00 or greater at the time of transfer to the Authority shall be identified on an asset inventory schedule in the form attached hereto as **Exhibit C** ("**Asset Inventory**"). The Asset Inventory shall be retained by the Authority so long as this Agreement remains in full force and effect. Upon termination of this Agreement, each Party shall be provided a copy of the complete Asset Inventory.

e. Acquisition of Future Property.

i. Acquisition by the Authority. Except as provided in paragraph 11(e)(ii) below, on and after the Effective Date, the acquisition of any real or personal property other than that identified in paragraphs 11(b) and 11(c) above shall be the sole responsibility of the Authority, whether such real or personal property is acquired as new property or as a replacement for property transferred pursuant to paragraphs 11(b) and 11(c) above. Such real or personal property shall be titled in the name of the Authority and, if the fair market value of the real or personal property is \$25,000 or greater at the time of acquisition, such real or personal property shall be added to the Asset Inventory identified in paragraph 11(d) above.

ii. Acquisition by a Party. Notwithstanding anything to the contrary in paragraph 11(e)(i) above, on and after the Effective Date or the date that it executes this Agreement, whichever is later, a Party may, in its sole discretion, elect to acquire new real or personal property at its sole cost and expense. Ownership of such new real or personal property shall be retained by the Party.

12. Personnel.

a. Party Signatories as of the Effective Date. The provisions of this paragraph 12 shall apply to the Emergency Services personnel of all Parties that are signatories to this Agreement as of the Effective Date.

i. Paid Personnel. During the period beginning on the Effective Date and ending on December 31 of that calendar year (for purposes of this paragraph, the "***Lease Period***"), each Party's paid Emergency Services personnel will remain employees of that Party, and each Party shall lease its paid Emergency Services personnel, at a rate of \$1.00 per year, to the Authority. During the Lease Period, each Party shall be solely responsible for its leased employees' compensation and all benefits, including pension contributions, health insurance, workers compensation insurance, and unemployment compensation insurance. During the Lease Period, the Authority shall be solely responsible for the control, direction, and supervision of all leased employees' performance of their duties and responsibilities to the Authority, and all terms and conditions of employment related thereto, including, without limitation, training, certifications, work schedules, discipline, promotion, demotion, and termination. Notwithstanding the foregoing, the Authority shall obtain written consent from the leasing Party prior to effecting any change in a leased employee's terms and conditions of employment, such as promotion to a higher rank, that will increase the leasing Party's total financial obligation with respect to compensation and benefits for that leased employee. The Parties and the Authority shall execute such additional agreements, contracts, and other documents as they may mutually deem necessary or appropriate from time to time to memorialize and/or accomplish the Parties' leasing of their paid Emergency Services personnel to the Authority pursuant to this paragraph.

1. Development of Employee Transition Plan. Commencing on the Effective Date and continuing until not later than December 1 of that year, the Board shall develop an Employee Transition Plan that shall identify, without limitation: (A) The initial compensation and benefits at which each Party's paid Emergency Services personnel will be offered employment with the Authority pursuant to paragraph 12(a)(i)(2) below, which compensation and benefits shall be substantially the same as or greater than the compensation and benefits received by that Party's paid Emergency Services personnel at the time of the offer; and (B) An anticipated plan for normalizing, as between the original Parties, the paid Emergency Services personnel's compensation and benefits by January 1 of the third calendar year following the Commencement Date.

2. Transfer of Paid Personnel. Unless the Parties and the Authority mutually agree to a different date, on or about December 1 following the Effective Date, the Authority shall extend a written offer of employment to each of the Parties' paid Emergency Services personnel, which offer shall identify the terms and conditions of employment with the Authority and shall provide that such employee's employment with the Authority, if accepted, shall commence on January 1 of the calendar year following the Effective Date ("***Commencement Date***"). Unless the Parties and the Authority mutually agree to a different date, on or about December 1 following the Effective Date, each Party shall provide its paid Emergency Services personnel with a notice that such employee's employment with that Party will terminate on the Commencement Date. On and after the Commencement Date, all of the paid Emergency Services personnel shall be "at will" employees of the Authority, and the Authority shall be solely responsible for the employees' compensation, benefits, and terms and conditions of employment.

3. Seniority. For purposes of calculating conditions and benefits of employment, each Emergency Services employee shall retain his or her seniority relative to the

other Emergency Services employees who accept employment with the Authority pursuant to paragraph 12(a)(i)(2) above.

4. Accrued Leave Benefits. Each Emergency Services employee who accepts employment with the Authority pursuant to paragraph 12(a)(i)(2) above may elect to transfer to the Authority as accrued paid time off ("**PTO**") such paid leave, if any, accrued by the Emergency Services employee as of 11:59 p.m. on December 31 immediately prior to the Commencement Date. For purposes of this paragraph, "paid leave" includes paid time off, paid vacation, paid sick leave, paid personal leave, and other forms of paid leave earned by a Party's employees on an accrual basis. The term "paid leave" does not include paid leave benefits that may be provided by a Party upon the occurrence of a specific event or circumstance, such as paid administrative leave, bereavement leave, or leave pursuant to the Family and Medical Leave Act; paid leave required pursuant to applicable law, such as jury leave or military leave; and any other type of paid leave benefit that is not earned by a Party's employees on an accrual basis. The maximum amount of accrued paid leave that may be transferred to the Authority as accrued PTO is as follows:

Full-time, administrative employees who work 40 hour work weeks:

<u>Years of Service</u>	<u>Maximum Transfer</u>
0-5	280
6-10	304
11-15	328
16 +	352

Full-time, shift employees who work 48 hour shifts:

<u>Years of Service</u>	<u>Maximum Transfer</u>
0-5	385
6-10	418
11-15	451
16+	484

A. On or before the Commencement Date, each Party shall pay to the Authority a one-time, lump sum payment of the amount necessary to fund the total hours of paid leave transferred by that Party's Emergency Services employees to the Authority as accrued PTO. Additionally, on or before the Commencement Date, each Party shall pay each of its Emergency Services employees for all paid leave (if any) accrued by that Emergency Services employee prior to the Commencement Date and not transferred to the Authority as accrued PTO. The Authority shall have no responsibility for paying any accrued paid leave that a Party's Emergency Services employees do not transfer to the Authority as accrued PTO.

B. On and after the Commencement Date, all PTO shall be accrued in accordance with the Authority's policies and procedures, which may be amended at any time in the Board's sole discretion.

ii. Volunteer Personnel. During the Lease Period, each Party's volunteer Emergency Services personnel will remain volunteers of that Party, and each Party shall lease its

volunteer Emergency Services personnel, at a rate of \$1.00 per year, to the Authority. During the Lease Period, each Party shall be solely responsible for its leased volunteers' stipends (if any), workers compensation insurance, pension contributions, expense reimbursements, and all other benefits (if any). During the Lease Period, the Authority shall be solely responsible for the control, direction, and supervision of all leased volunteers' performance of their duties and responsibilities to the Authority, and all terms and conditions of volunteer service related thereto, including, without limitation, training, certifications, work schedules, discipline, promotion, demotion, and termination. Notwithstanding the foregoing, the Authority shall obtain written consent from the leasing Party prior to effecting any change in a leased volunteer's terms and conditions of volunteer service, such as promotion to a higher volunteer rank, that will increase the leasing Party's total financial obligation with respect to stipends or benefits for that leased volunteer. The Parties and the Authority shall execute such additional agreements, contracts, and other documents as they may mutually deem necessary or appropriate from time to time to memorialize and/or accomplish the Parties' leasing of their volunteer Emergency Services personnel to the Authority pursuant to this paragraph.

1. Development of Volunteer Transition Plan. Commencing on the Effective Date and continuing until not later than December 1 of that year, the Board shall develop a Volunteer Transition Plan that shall identify, without limitation, the following: (A) The initial stipends (if any), benefits (if any), and expense reimbursements that will be offered to each Party's volunteer Emergency Services personnel for participating in the Authority's volunteer firefighter program pursuant to paragraph 12(a)(ii)(2) below, which stipends, benefits, and expense reimbursements shall be substantially the same as or greater than the stipends, benefits, and expense reimbursements received by that Party's volunteer Emergency Services personnel at the time of the offer; and (B) A plan for normalizing, as between the original Parties, the volunteer Emergency Services personnel's stipends (if any), benefits (if any), and expense reimbursements by January 1 of the third calendar year following the Commencement Date.

2. Transfer of Volunteer Personnel. Unless the Parties and the Authority mutually agree to a different date, on or about December 1 following the Effective Date, the Authority shall extend a written offer of acceptance into its volunteer firefighter program to each of the Parties' volunteer Emergency Services personnel, which offer shall provide that such volunteer's volunteer position with the Authority, if accepted, shall commence on the Commencement Date. Unless the Parties and the Authority mutually agree to a different date, on or about December 1 following the Effective Date, each Party shall provide its volunteer Emergency Services personnel with a notice that such volunteer's position with that Party will terminate on the Commencement Date. On and after the Commencement Date, all of the volunteer Emergency Services personnel shall be volunteers of the Authority, and the Authority shall be solely responsible for the stipends (if any), expense reimbursements, benefits (if any), and all other terms and conditions of volunteer service.

b. Authority's New Hires/Volunteers. On and after the Commencement Date, the Authority may hire new employees and accept new volunteers into the Authority as the Board deems necessary or appropriate in its sole discretion. All employees newly hired and volunteers newly accepted by the Authority shall be employees and volunteers of the Authority, and the

Authority shall be solely responsible for the terms and conditions of their employment or volunteer service.

c. Party Signatories After the Effective Date. The Board shall, upon affirmative majority vote, determine the terms and conditions of employment, volunteer service, and/or transfer to the Authority, as applicable, of all paid and volunteer Emergency Service personnel of a Party that is a signatory to this Agreement after the Effective Date. Such terms and conditions of employment, volunteer service, and/or transfer to the Authority, as applicable, shall be set forth in writing and attached to this Agreement as an amendment at the time that the Party that is a signatory to this Agreement after the Effective Date executes this Agreement. Any such amendment is hereby incorporated into this Agreement as if originally set forth herein.

13. Pensions.

a. Compliance with Applicable Law. The provisions of this Section 13 shall be deemed automatically amended without further action by the Parties to the extent necessary to comply with all applicable federal, State, and local laws, rules, and regulations, and any subsequent amendments thereto, and any subsequently enacted federal, State, or local laws, rules, or regulations.

b. Paid Personnel.

i. Existing Paid Personnel.

1. Any Party that sponsors a new-hire paid firefighter pension fund ("***New Hire Pension Fund***") for the purpose of providing pension benefits to qualified firefighters in accordance with C.R.S. § 31-31-101, *et seq.*, shall continue to sponsor its New Hire Pension Fund on and after the Effective Date or the date that such Party executes this Agreement, whichever is later, for the qualified firefighters who are transferred to the Authority pursuant to paragraph 12(a)(i)(2) or 12(c) above. Such Party(ies) and the Authority shall work diligently to substitute the Authority as the sponsoring entity on the New Hire Pension Fund plan as quickly as reasonably possible, consistent with State law and the requirements of the Colorado Fire & Police Pension Association ("***FPPA***"). The Authority shall be solely responsible for all contributions to a Party's New Hire Pension Fund after payment of the Party's First Party Initial Contribution or Subsequent Party Initial Contribution, as applicable, pursuant to paragraph 7(a)(ii)(2) above, regardless whether the Authority has been substituted as the sponsoring entity. Prior to the date of the Authority's substitution as the sponsoring entity, each Party shall be solely responsible for all other terms and conditions of its New Hire Pension Fund, including, without limitation, its administration and benefits. Notwithstanding the foregoing, a Party shall obtain written consent from the Authority prior to effecting any change in its New Hire Pension Fund plan's terms and conditions, such as increasing benefits, that will increase the Authority's financial obligation with respect to making contributions.

2. Any Party that sponsors another type of pension plan or other retirement benefit ("***Other Retirement Benefit***") for qualified Emergency Services employees of the Party shall continue to sponsor such Other Retirement Benefit on and after the Effective Date

or the date that such Party executes this Agreement, whichever is later, for the Emergency Services employees who are transferred to the Authority pursuant to paragraph 12(a)(i)(2) or 12(c) above. Such Party(ies) and the Authority shall work diligently to transfer the Other Retirement Benefit to FPPA if possible, and to substitute the Authority as the sponsoring entity on such Other Retirement Benefit, consistent with federal and State law and FPPA's requirements. Until the date of the Authority's substitution as the sponsoring entity, each Party shall be solely responsible for all terms and conditions of the Other Retirement Benefit, including, without limitation, its administration, contributions, and benefits.

ii. Authority's New Hires. The Board shall establish such paid firefighter pension plan(s), Public Employees' Retirement Association pension plan(s), and/or such other pension, deferred compensation, and/or other retirement plan(s) to be provided to employees newly hired by the Authority pursuant to paragraph 12(b) above as required by Applicable Law, and as the Board, in its sole discretion, deems appropriate in the best interests of the Authority.

c. Volunteer Personnel.

i. Existing Volunteers.

1. Any Party that sponsors a volunteer firefighter pension fund ("***Volunteer Pension Fund***") for the purpose of providing pension benefits to qualified volunteer firefighters in accordance with the Colorado Volunteer Firefighter Pension Act, C.R.S. § 31-30-1100, *et seq.*, shall continue to sponsor its Volunteer Pension Fund on and after the Effective Date or the date that such Party executes this Agreement, whichever is later, for the benefit of its volunteer Emergency Services personnel participating in the Volunteer Pension Fund who are transferred to the Authority pursuant to paragraph 12(a)(ii)(2) or 12(c) above. Such Party(ies) and the Authority shall work diligently to substitute the Authority as the sponsoring entity on the Volunteer Pension Fund plan as quickly as reasonably possible, consistent State law and FPPA's requirements. The Authority shall be solely responsible for all contributions to a Party's Volunteer Pension Fund after payment of the Party's First Party Initial Contribution or Subsequent Party Initial Contribution, as applicable, pursuant to paragraph 7(a)(ii)(2) above, regardless whether the Authority has been substituted as the sponsoring entity. Prior to the date of the Authority's substitution as the sponsoring entity, each Party shall be solely responsible for all other terms and conditions of its Volunteer Pension Fund, including, without limitation, its administration and benefits. Notwithstanding the foregoing, a Party shall obtain written consent from the Authority prior to effecting any change in its Volunteer Pension Fund plan's terms and conditions, such as increasing benefits, that will increase the Authority's financial obligation with respect to making contributions.

2. The Authority shall recognize a volunteer's years of volunteer service to a Party toward his/her vesting in pension benefits, provided that the volunteer has met all State training requirements and any other additional requirements imposed by that Party to maintain "good standing" for purposes of receiving pension credit for such years.

ii. Volunteer Pension Fund State Match. Prior to and after the Authority is substituted as the Volunteer Pension Fund plan sponsor, each Party shall be responsible for

applying annually for its Volunteer Pension Fund State matching funds pursuant to C.R.S. § 31-30-1112, as it may be amended, and any successor or other similar State statute, rule, or regulation which provides State contributions to that Party's Volunteer Pension Fund. Within 30 calendar days of receipt of any State matching funds, a Party shall pay or sign over, or otherwise direct payment, of such State matching funds to the Authority.

iii. Authority's New Volunteers. The Board shall establish such volunteer pension or other length of service award plan (if any) to be provided to volunteers newly accepted by the Authority pursuant to paragraph 12(b) above as the Board, in its sole discretion, deems appropriate in the best interests of the Authority.

14. Fire Code. The Authority shall have the power and authority to adopt and/or modify the Fire Code within its jurisdiction and boundaries, subject to approval by the BOCC, the City Council of the City of Glenwood Springs ("**City Council**"), or the governing body of any other municipality lying within the Authority's jurisdiction and boundaries ("**Other Municipality**"), as appropriate. For that area lying within the City's boundaries, the City may propose modifications to the Fire Code then in effect, or adoption of a new edition of the Fire Code, upon 60 days prior written notice to the Authority. The Authority and the City shall engage in good faith efforts to resolve any concerns they may have regarding modifying the Fire Code then in effect or adopting a new edition of the Fire Code. The City Council shall have the final authority to approve or reject any proposal to modify the Fire Code then in effect, or to adopt a new edition of the Fire Code, for use within the City's boundaries. If the City Council approves a proposal to modify the Fire Code then in effect or to adopt a new edition of the Fire Code, such approval shall be set forth in an Ordinance that details the modification(s) to the Fire Code then in effect or the adoption of a new edition of the Fire Code and any amendments thereto. The City shall promptly provide a copy of the approved Ordinance to the Authority. The Board shall adopt a Resolution approving the City Ordinance as soon thereafter as reasonably practicable. Thereafter, the Authority may, in its discretion, determine whether to seek to modify the Fire Code then in effect, or to adopt a new edition of the Fire Code, for use within that area lying within the County and/or Other Municipality(ies), so as to establish a single uniform Fire Code throughout its entire jurisdiction, subject to approval by BOCC and/or Other Municipality(ies), as appropriate.

a. Fees and Charges. In addition to the fees and charges identified in paragraph 5(d) above, the Authority may impose reasonable fees and charges as authorized by the Fire Code, including by not limited to, reasonable fees and charges for plan reviews, permits, inspections, false alarm inspections, *etc.* The Authority shall be solely responsible for assessing and collecting such fees and charges.

b. Enforcement of the Fire Code. The Authority shall enforce the Fire Code within its jurisdiction and boundaries. The City will assist the Authority in enforcing the Fire Code in any Municipal Court action. If the Fire Code violation is not or will not be satisfactorily resolved through prosecution in Municipal Court or District Court, the Authority may bring a civil action to enforce the Fire Code.

15. Insurance and Indemnification.

a. Insurance. The Authority shall maintain such general casualty and liability insurance, professional liability insurance, automobile liability insurance, workers compensation and unemployment insurance, other insurance as may be required by Applicable Law or this Agreement, and such other insurance as the Board, in its sole discretion, may deem necessary or appropriate for the protection of the Authority and its Directors, officers, employees, volunteers, and agents.

b. Directors and Officers. Each Director and officer of the Authority, whether or not then in office, and his/her personal representatives shall be indemnified by the Authority against all costs and expenses actually and necessarily incurred by such person in connection with the defense of any action, suit, or proceeding arising out of an act or omission of such person during the performance of such person's duties and within the scope of such person's appointment, except in relation to matters as to which such person shall be finally adjudged in such action, suit, or proceeding to be willful or wanton in the act or omission giving rise to the action, suit, or proceeding. Such costs and expenses shall include amounts reasonably paid in settlement for the purpose of curtailing the cost of litigation, but only if the Authority is advised in writing by opinion of its legal counsel that the person indemnified was not willful or wanton in the act or omission giving rise to the action, suit, or proceeding. The foregoing right of indemnification shall not be exclusive of other rights to which such person maybe entitled as a matter of law or by agreement.

c. Governmental Immunity. Nothing herein shall be construed or deemed as a waiver of any and all rights of any council member, Director, officer, employee, volunteer, or agent under the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, *et seq.*

16. Non-Appropriation. All direct and indirect financial obligations of a Party under this Agreement are subject to appropriation, budgeting, and availability of funds to discharge such obligations. No provision of this Agreement shall be construed or interpreted: (a) to directly or indirectly obligate a Party to make any payment in any fiscal year in excess of amounts appropriated for such fiscal year; or b) as creating a debt or multiple fiscal year direct or indirect debt or other financial obligation whatsoever of a Party within the meaning of Article X, Section 20 of the Colorado Constitution or any other constitutional or statutory limitation or provision.

17. Term, Adding or Deleting Parties, Termination.

a. Effective Date. This Agreement may be executed by, and become effective as to, each Party on the same or different dates. This Agreement shall become effective on September 27, 2012 ("***Effective Date***"), as to each Party that is a signatory to this Agreement as of such date. This Agreement shall become effective as to each Party that is a signatory to this Agreement after such date as and when that Party has executed this Agreement.

b. Term. The term of this Agreement shall commence on the Effective Date and shall run through December 31 of that calendar year. Thereafter, the term of this Agreement shall be for one year, automatically renewing, without notice, annually on January 1 and running

through December 31 of each year thereafter. This annual automatic renewal of this Agreement shall extend year to year, and shall remain in full force and effect, subject to amendments hereto, until terminated as provided herein.

b. Additional Parties. A governmental entity may be added to this Agreement as an additional party upon the written consent and approval of a majority of the Parties' governing bodies. This Agreement shall become effective as to an additional party as and when that party has executed this Agreement. A governmental entity added as an additional party shall be subject to such terms and conditions as the Board, in its sole discretion, may determine. A new party may be assessed a capital investment fee to cover its pro rata share of the costs of those capital assets previously purchased by the Authority for joint use by all Parties. A new party that is not assessed a capital investment fee for such assets previously purchased by the Authority will not be credited with any cash value of the assets on hand as of the date of joining as an additional party. A new party shall be entitled to one director's position on the Board of Directors and one vote.

c. Consolidation by a Party.

i. Consolidation – No Termination. Except as provided in paragraph 17(c)(ii) below, consolidation by a Party with another Party or non-party to form a single legal entity shall neither terminate this Agreement nor cause a withdrawal by the consolidating Party or Parties. All rights and obligations of such consolidating Party or Parties shall inure to the consolidated entity created by such Party or Parties, except that no consolidation by a Party shall increase any non-consolidating Party's share of capital contributions required under this Agreement without the written consent of such non-consolidating Party.

ii. Consolidation – Termination. Notwithstanding paragraph 17(c)(i) above, this Agreement shall terminate automatically upon the consolidation of all Parties to this Agreement to form a single legal entity; provided that, if any one or more of the City, Rifle Fire, Burning Mountains Fire, and/or Glenwood Springs Fire has not executed and is not a Party to this Agreement at the time of such consolidation, the other Parties shall provide 90 days advance written notice of the consolidation and an opportunity to execute this Agreement to such non-Party entity.

d. Withdrawal or Removal of a Party. A Party may withdraw from this Agreement as of 11:59 p.m. on December 31 of any calendar year by providing written notice of withdrawal authorized by the governing body of such Party to the Board and every other Party between July 1 and December 31 of the previous calendar year. At any time that there are three or more Parties to this Agreement, and upon the written consent and approval of all of the governing bodies of the Parties to this Agreement except for the Party whose potential removal is at issue, a Party may be removed from this Agreement for cause, including continuing failure to pay required contributions, malfeasance, *etc.* A withdrawing or removed Party shall remain liable for any and all financial obligations and all indebtedness incurred while the withdrawing or removed Party was a Party to this Agreement.

i. Authority Assets. Upon a Party's withdrawal or removal, the Party shall have no further interest, right, or title in or to any assets or equity of the Authority, unless there is a specific written agreement by all then-Parties to the contrary. If approved by the Board in its sole discretion, and to the extent of available financial assets as determined by the Board in its sole discretion, a withdrawing or removed Party shall be paid for its share, based on its contribution to the acquisition costs, of the depreciated basis of the net capital assets of the Authority. Assets shall be depreciated over normal useful lives as reasonably approved by the Board.

ii. No Termination on Withdrawal. Except as provided in paragraph 17(d)(iii) below, withdrawal by or removal of any Party or combination of Parties shall not cause termination of this Agreement as between the Parties not withdrawing or removed.

iii. Termination on Withdrawal. Notwithstanding paragraph 17(d)(ii) above, this Agreement shall terminate automatically upon the withdrawal and/or removal of such Parties to this Agreement so that only one Party to this Agreement remains; provided that, if any one or more of the City, Rifle Fire, Burning Mountains Fire, and/or Glenwood Springs Fire has not executed and is not a Party to this Agreement at the time of such withdrawal and/or removal, the other Parties shall provide 90 days advance written notice of the withdrawal and/or removal and an opportunity to execute this Agreement to such non-Party entity.

e. Termination. This Agreement may be terminated at any time upon the written consent and approval of a majority of the Parties' governing bodies. Any Party wishing to initiate termination of this Agreement shall submit a written proposal thereof to each Party no later than July 1 of any year in which the Party wishes to terminate this Agreement. Upon termination, unless succeeded by a substantially similar agreement, the powers granted to the Authority under this Agreement shall continue to the extent necessary to make an effective disposition by the Authority of its property, obligations, and duties.

In the event of the termination of this Agreement and the dissolution of the Authority, all of the assets of the Authority may, upon the written consent and approval of a majority of the Parties' governing bodies, be conveyed to a successor entity replacing the Authority, provided such entity has been lawfully created and is in good standing. Otherwise, all of the assets of the Authority shall immediately vest in the entities that are Parties at the time of termination, subject to any outstanding liens, mortgages, or other pledges of such assets.

The interest in the general assets of the Authority conveyed to each Party shall be that proportion which the total amount paid by such Party to the Authority bears to the total dollar amount of all payments made to the Authority by all Parties, unless the Parties unanimously agree to any alternative disposition among the Parties.

18. Miscellaneous Provisions.

a. If any covenant, term, condition, or provision under this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such

covenant, term, condition, or provision shall not affect any other provision contained herein, the intention being that such provisions are severable.

b. This Agreement shall be construed in accordance with the laws of the State of Colorado.

c. This Agreement constitutes the entire Agreement between the Parties with respect to the matters addressed herein. All prior discussions and negotiations regarding the subject matter hereof are merged herein.

d. Except as provided in paragraphs 7(a)(ii)(1), 7(b)(i)(2), 10(c)(ii), and 12(c) above, this Agreement may be amended only by a written document signed by the Parties. A waiver of a breach of this Agreement shall not be construed as a waiver of a later breach of this Agreement, whether of the same or a different provision. Course of performance, no matter how long it may continue, shall not be considered to effect a waiver or modification of this Agreement.

e. Paragraph headings are inserted for convenience of reference only.

f. This Agreement may be executed in one or more counterparts and by facsimile or electronically by PDF, each of which shall constitute an original and all of which shall constitute one and the same document.

g. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give in, any person or entity other than the Parties any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, and provisions in this Agreement. This Agreement, and all covenants, terms, conditions, and provisions in this Agreement, shall be for the sole and exclusive benefit of the Parties.

h. Any and all disputes and claims arising hereunder shall be submitted first to mediation. The Authority shall pay the mediator's fees and costs associated with the mediation, and each Party shall pay its own fees, costs, and expenses related to the mediation. If the dispute is not resolved by mediation, any Party may commence a Court proceeding, with jurisdiction and venue residing exclusively in the District Court for the County of Garfield. Each Party waives its right to have such dispute decided by a trial by jury. The prevailing Party shall be awarded its reasonable attorneys' fees, costs, and expenses, including any attorneys' fees, costs, and expenses incurred in collecting or executing upon any judgment, order, or award.

i. Except as otherwise required herein, any notice required or permitted under this Agreement shall be given by U.S. First Class Mail, postage prepaid to the address of each Party as set forth herein, receipt of said notice being deemed to have occurred three days after mailing by U.S. First Class Mail.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date indicated on their respective signature pages.

RIFLE FIRE PROTECTION DISTRICT

BURNING MOUNTAINS FIRE PROTECTION DISTRICT

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Attest: _____

Attest: _____

Title: _____

Title: _____

Address: _____

Address: _____

CITY OF GLENWOOD SPRINGS

GLENWOOD SPRINGS RURAL FIRE PROTECTION DISTRICT

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Attest: _____

Attest: _____

Title: _____

Title: _____

Address: _____

Address: _____

EXHIBIT A

**COLORADO RIVER FIRE RESCUE AUTHORITY
INITIAL BUDGET**

EXHIBIT B

**COLORADO RIVER FIRE RESCUE AUTHORITY
RESPONSE STANDARDS**

Emergent Response Times

Response Zone	Definition	Primary Response Time	Secondary Response Time
1	Within City boundaries or within 2.49 miles of a staffed station.	7 minutes with 80% reliability.	9 minutes with 95% reliability.
2	Within 2.5 and 4.99 miles of a staffed station.	10 minutes with 70% reliability.	13 minutes with 90% reliability.
3	Within 5.0 and 9.99 miles of a staffed station.	15 minutes with 70% reliability.	25 minutes with 90% reliability.
4	Within 10.0 and 19.99 miles of a staffed station.	30 minutes with 80% reliability.	40 minutes with 90% reliability.

Non-Emergent Response Times

Response Zone	Definition	Primary Response Time	Secondary Response Time
1	Within City boundaries or within 2.49 miles of a staffed station.	10 minutes with 80% reliability.	20 minutes with 90% reliability.
2	Within 2.5 and 4.99 miles of a staffed station.	15 minutes with 80% reliability.	25 minutes with 90% reliability.
3	Within 5.0 and 9.99 miles of a staffed station.	20 minutes with 80% reliability.	30 minutes with 90% reliability.
4	Within 10.0 and 19.99 miles of a staffed station.	40 minutes with 80% reliability.	60 minutes with 90% reliability.

