

OPERATING BYLAWS OF THE FLATHEAD IRRIGATION DISTRICT

Sanders and Lake County, Montana

Amended September 23, 2019-2020 *Jack*

ARTICLE I. LOCATION

District office Located at 534 Main Street, Saint Ignatius, Montana 59865. The Board of Commissioners (the "Board" of "Commissioners") may change the principal office of the District within the State of Montana as it may determine from time to time in its sole discretion, For purposes of controlling and limiting costs, both administrative and operation and maintenance, for administrative efficiency, for other District related purposes, and in the best interests of the District as determined by the Board, the District may enter into a contract with other Districts to share the office space and administrative capacities and coordinate the fulfillment of the responsibilities of the Districts, including, as allowed under state law, Title 85, Chapter 7, Part 16, Montana Code Annotated, to conduct joint operations by creating a joint board of control.

ARTICLE II.

DISTRICT POWERS AND DUTIES; COMMISSIONER OBLIGATIONS

Section 1. Nature of District. The District exists for the benefit of its irrigator-constituents. The District is, and holds itself to the standards of, a local government under Montana law. It exercises its powers and authorities under law and fulfills its duties to irrigators through its Commissioners, who are responsible directly to irrigators to make decisions and take actions for the general benefit of all irrigators and without pursuing their self-interest. The District owns property, disposes of property, and makes decisions regarding its property only for the benefit of irrigators. The District may own some property only as to its legal title and as a fiduciary, for the benefit of irrigators, who may own the beneficial title. In any case, the District's powers and authorities, including owning and protecting property, exist only to fulfill its duties to irrigators.

Section 2. Legal Powers and Responsibilities of District. The District possesses all the powers and authorities and all the responsibilities established in the law of the state of Montana and applicable federal law. These may be supplemented in accordance with law, through these bylaws, and they may be directed or limited, in accordance with law, through these bylaws only where that intention is clear.

Section 3. Commissioners Obligated to Act Without Self-Interest or Conflict of Interest. As democratically-elected of local governments, District Commissioners are obligated under these bylaws and Montana law, Title 2, Chapter 2, Part 1, Code of Ethics, Part 2, Proscribed Acts Related to Contracts and Claims, and Part 3 Nepotism, to make decisions and take actions for the best interest of irrigators, not in their own self-interest, and without any conflict of interest. All District Commissioners, by taking the oath of office, agree to fulfill their public duties without regard to their private interests, and assert and promise their strict compliance with these and all other applicable legal standards of conduct regarding the execution of their duties; and they agree that any ruling of a tribunal, authority, or court of competent jurisdiction to the effect that they are in violation of such duties, even if they are not specifically named and identified as a violator, will result in their promptly taking action to either come into compliance with such ruling or resign as a District Commissioner.

ARTICLE III. ELECTORS

Section 1. Electors. Electors of the District are determined by state statute, specifically 85-7-1710, Montana Code Annotated (2013), and generally include every person 18 years of age or older, whether a resident of the District or State or not, who is an owner of a purchaser under a recorded contract of purchase or other instrument of fee title to irrigable land situated within the District and subject to other charges or assessments of the District.

Section 2. Voting rights of Electors.

- (1) **Multiple Ownerships.** If ownership is in estates by the entirety, tenants in common, or in other cases of multiple ownership, only one vote shall be allowed on behalf of all the owners. Representatives of the owners are entitled to vote on behalf of all the owners, as determined by those owners. The Elections Administrator may require proof of this determination by the owners before allowing one to cast the votes.
- (2) **Corporate ownerships.** Any corporation may vote as a single owner of land through any officer or agent when the officer or agent is authorized to vote by the corporation and the written authorization is filed with the Secretary of the District and/or the County elections Office.
- (3) **General Partnership, etc.** Any general partnership, limited partnership or limited liability company may vote as a single owner of land through any general partner, member or agent when the general partner, member or agent is authorized to vote by the entity and written evidence of the authority of the general partner, member or agent is filed with the Secretary of the district.
- (4) **Representative Ownerships.** Any trustee of a trust, guardian, administrator or executor authorized to act as such of a person or estate owning land with the District shall be considered an owner of land for the purposes of the Irrigation District Law, when the owner in fee is not otherwise entitled to vote.
- (5) **Weighted Voting on a per-acre basis.** In accordance with state statute, 85-7-1710, MCA, which in general entitles an owner of land or elector to cast as many votes as equal the number of irrigable acres or major fractions of an acre he or she owns within the District that is subject to the charges or assessments of the District on the basis an acre he or she owns within the District that is subject to the charges or assessment of the Districts.
- (6) **Termination as Elector.** One ceases to be an elector if one is no longer an owner of land within the District subject to the charges or assessments of the District.

ARTICLE IV. ELECTIONS

Section 1. Annual Elections. A mail-in ballot election shall be held concluding on the 1st Tuesday after the 1st Monday in May of each year, at which one or more Commissioners shall be elected.

Section 2. Mail Ballot Elections. Upon resolution adopted by the Commissioners, any regular or special election may be conducted by mail as provided in MCA 13-19-106.

Section 3. Special Elections-Binding and non-binding. Pursuant to 85-7-1712, MCA. A special election may be called at any time by resolution of the Commissioners an election is required or, in the judgement of the Board is proper to be submitted to popular vote. If the outcome of a special election is intended to be binding on the Board, such election shall be conducted as required by Title 13, MCA. If the board intends a special election to be non-binding, it must declare that intention in the resolution calling the election, stating the reasons for that intention. It may then

conduct the election either in accordance with Title 13, MCA or as nearly as practicable and in reasonable accordance with electoral fairness and due process.

Section 4. Absentee Voting. Electors of the District shall be entitled to vote by absentee ballot in compliance with state law.

ARTICLE V. COMMISSIONERS

Section 1. Board of Commissioners. The affairs of the District shall be managed by the Board of Commissioners. Commissioners must be residents of the State of Montana and an owner, or shareholder of a corporate owner, of land within the District, and otherwise qualify for election as a Commissioner under the laws of Montana.

Section 2. Number and Term of Office. The number of Commissioners constituting the Board of Commissioners will be five. (5). The term of office of Commissioners is three (3) years. A Commissioner shall hold office from the first Tuesday in May to the first Tuesday in May following the next election for that position when a qualified successor is seated.

Section 3. Quorum. A majority of the members of the Board of Commissioners shall constitute a quorum for the conduct of business by the District, except as provided in section 4 below taking official action of the board.

Section 4. Action of Board. The Board may take official action only upon a majority vote of its Commissioners.

Section 5. Public Meetings and Records. All meeting of the Commissioners shall be public and all records of the Board of Commissioners shall be open to public inspection during business hours.

Section 6. Vacancies. Any vacancy to the Board shall be filled for the unexpired portion of the term by appointment of a qualified individual concurred in by a majority vote of the remaining Commissioners, at any regular monthly meeting or special meeting called for such purpose. A vacancy shall be filled as provided by law.

Section 7. Election to Fill Vacancy. If a vacancy in the Board occurs less than 25 days before a regular annual Commissioners election, the vacancy shall be filled at the next regular annual Commissioners election.

Section 8. Recall of Commissioners.

- (1) Any person holding a public office of the state or any of its political subdivisions, either by election or appointment, is subject to recall from office.
- (2) A public officer holding an elective office may be recalled by the qualified electors entitled to vote for the elective officer's successor. A public officer holding an appointive office may be recalled by the qualified electors entitled to vote for the successor or successors of the elective officer or officers who have the authority to appoint a person to that position.
- (3) Physical or mental lack of fitness, incompetence and violations of the oath of office, official misconduct or conviction of a felony offense enumerated in Title 45 are the only grounds

for recall. A person may not be recalled for performing a mandatory duty of the office that the person holds or for not performing any act the, if performed, would subject the person to prosecution for official misconduct. MCA 2-16-603

Section 9. Compensation and Expenses of Commissioners.

- (1) The commissioners, when sitting as a board or when engaged in the business of the District are entitled to compensation at an amount determined by a majority vote of the board for each day that they are actually and necessarily engaged in the performance of irrigation District duties. The amount of compensation determined by the board may be no greater than \$100.00.
- (2) The commissioners are also entitled to reimbursement for travel expenses, as provided in MCA 2-18-501 through MCA 2-18-503, and for their necessary expenses when otherwise engaged in District business. MCA 85-7-1505.

ARTICLE VI. OFFICERS

Section 1. Officers. The District shall have the following officers: a Chairman; one or more Vice-Chairman (as determined by the Board of Commissioners); a Secretary; and such other officers as may be elected by the Board of Commissioners in accordance with these Bylaws and law. Such officers who are elected or appointed by the Board shall have such authority and perform such duties as are designated from time to time by the Board. The same person may not hold more than one office.

Section 2. Election and Term of Office. The Board of Commissioners shall elect a Chairman and a Vice-Chairman from their number and shall appoint a Secretary of the District, on an annual basis at the annual meeting of the Board, or as soon thereafter as practicable. At any annual meeting thereof, the Board may create such new offices and elect new officers as they deem appropriate. Each officer shall hold office until such officer's successor shall be elected or appointed.

Section 3. Vacancies. Any office of the District which becomes vacant prior to expiration of the normal term thereof for any reason, including resignation, removal, disqualification or death, may be filled by the Board for the unexpired portion of such normal term or until the next regular election, whichever comes first.

Section 4. Removal of Officers. The Board of Commissioners may remove any officer of the District at any time, provided they determine that such removal is in the best interest of the District.

Section 5. Chairman. The Chairman of the District shall preside at all meetings of the Board of Commissioners of the District. The Chairman may sign, together with the Secretary-Manager, or any other officer designated by the District, any contract, deed, mortgage, evidence of indebtedness or other document authorized to be executed by the Board of Commissioners, except where the Board of commissioners, these Bylaws or applicable law has authorized execution by other parties. To the extent permitted by applicable law and these Bylaws, the Chairman shall have all powers and perform all duties incident to the Office of chairman, or as otherwise designated by the Board.
MCA 85-7-1502.

Section 6. Vice-Chairman. In the absence of the Chairman, the Vice-Chairman shall act in place of the Chairman and possess all the authority, powers and duties of the Chairman during such time. To the extent permitted by applicable law and these Bylaws, the Vice-Chairman shall have all powers and perform all duties incident to the Office of Vice-Chairman, or as otherwise designated by the Board.

Section 7. Secretary

1. The Secretary shall keep the minutes of all meetings of the District and the Board and provide appropriate individuals with notice of such meetings; act as custodian of the corporate records and corporate seal; execute documents on behalf of the District as provided by these Bylaws, by authority of the Board or applicable law.
2. The funds and bookkeeping of Flathead Irrigation District shall be maintained in accordance of MCA 85-7-2136 (1-5). The County shall collect assessments of the District and be treasurer of those funds
3. The Secretary shall perform all duties and functions of Secretary in the conduct of District Elections as provided by law.
4. To the extent permitted or required by applicable law and these Bylaws, the Secretary shall have all powers and perform all duties incident to the Office of Secretary, or as otherwise designated by the Board.

Section 8. Bond Requirements. Before handling or receiving any funds or collecting any charges or assessments, the Secretary of the district shall obtain a good and sufficient surety bond by an authorized surety company, in an amount that the Board may determine. The cost of the bond shall be paid by the District.

ARTICLE VII. MEETINGS

Section 1. Regular Monthly Meetings. The District shall meet in a regular monthly meeting on the Fourth Wednesday of each month unless at a previous meeting it is determined by majority vote of the commissioners attending that the next regular meeting is unnecessary.

Section 2. Special Meetings. The District may hold special meetings at the call of the Chair and at least one other Commissioner or at the call of a majority of the District Commissioners.

Section 3. Emergency Meetings. Emergency meetings of the Board of Commissioners may be called by the Chairman or any board member when an actual emergency exists.

Section 4. Annual Meetings. An annual meeting of the District shall be held on the second Monday of January of each year.

Section 5. Agendas. An Agenda shall be posted at least 48 hours in advance of any District meetings, including special meetings, unless an actual emergency to which the Chair and one Commissioner as a majority of the Commissioners will attest, in which case a Special Meeting may be held on shorter notice, but an agenda, must be posted. The agenda shall provide notice of the intended subjects of the meeting.

It shall be posted prominently, which requirement is fulfilled if it is posted on the outside of the District office, sent electronically to those individuals who have provided the information necessary to do so and requested such notice, and posted on the Districts' website. Agenda shall be emailed to the commissioners.

Section 6. Conduct of Meetings. Public Right to Know and Participate-Civility-Timely Conduct of Business. As local governmental entities, the Districts shall conduct all Regular, Special, and Emergency meetings and its affairs generally, in accordance with state law and, in particular, in compliance with the public's right to know, observe deliberations, and participate in the governmental process. The chair and the Board are authorized, and have the responsibility, to conduct the meetings in a manner that respects the rights of the public and of other individuals, including the right to privacy, and civility in public discourse. The Chair and Board are authorized, and have the responsibility, therefore to ensure civility in the meetings and that they attend to the Business of the District in a reasonable, timely manner. The Chair shall conduct meetings in an orderly fashion, generally conforming to Roberts Rules of Order. There will be no proxy voting.

Section 7. Executive Sessions. The Commissioners are authorized to meet in executive, or closed session, only when authorized under Montana law, and they may be conducted only as allowed by law.

Section 8. Location and time of Meetings. All meetings shall be held at 11:00 a.m. at the District's office unless otherwise noted on the agenda. Any other time and place of a meeting shall be prominently indicated on the agenda.

Section 9. Telephonic/Electronic Meeting. Subject to compliance with Montana's Public Meetings Law, any meeting of the Board may be accomplished in whole or in part by telephonic conference call or other legally allowable electronic communication.

ARTICLE VIII. MANAGER

Section 1. Employment of Manager. The Board may employ a full time Manager of the District who shall serve at the pleasure of the Board.

Section 2. Duties of Manager. The Manager shall perform such duties and have such powers and authority as shall be provided by the Board and state law. Except as provided in these Bylaws, or by law, or otherwise by the Board, the Manager shall supervise the business and affairs of the District and all employees of the District.

Section 3. Compensation. Rate of compensation shall be determined by the Board of Commissioners and Manager Performance reviewed at a minimum of once per fiscal year in Executive Session at a noticed meeting. The Manager is also entitled to reimbursement for travel expenses and for their necessary expenses when otherwise engaged in District business.

ARTICLE IX. CONTRACTS, CHECKS, DEPOSITS AND FUNDS

Section 1. Contracts. The Board may authorize any officer or officers, manager agent or agents of the District, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the District, and such authority may be general or confined to specific instances.

Section 2. Warrants, Other Instruments. All warrants, drafts, or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the District, shall be hand signed by such officer, officers, manager agent or agents and in such manner as shall be designated by the Board from time to time. In the absence of such designation, such instruments shall be signed by the Chairman, Vice-Chairman and or the Secretary of the District and all need a signature form filed with County Treasurer. Rubber stamps are not allowed. Thirty-six-hour (36) notice is required to be given to Lake County Treasures Office prior to processing of warrants to allow appropriate funds transfer. MCA 20-3-325

Section 3. Deposits. All funds of the District shall be deposited from time to time to the credit of the District in such banks, trust companies or other depositories as the Board may select. Where required by law, as with payments for bonded or contractual indebtedness, deposits shall be made to designated accounts.

Section 4. Transfer of Funds. The Board of Commissioners shall have power to transfer money from any one administrative fund to any other administrative fund, except that no money shall be drawn from the Operating and Maintenance fund held in trust by the county, except for those payments for expenses incurred for the delivery and maintenance of irrigation services within the District(s). MCA 85-7-2139

Section 5. Increase of Tax Assessment. The board of Commissioners shall have the authority to increase current tax assessments at a rate of 100% per fiscal year and submit to the Lake County Treasures Office, Montana Department of Revenue, no later than the 1st Monday of August of each fiscal year. MCA 85-7-2104. For an increase of more than 100%, although not required by state statute, a binding referendum of the irrigators shall be performed prior to any action.

ARTICLE X. BOOKS AND RECORDS

Section 1. Public Records. The District shall keep and maintain books and records of account, minutes of all meetings of the Board, and shall keep at its principal office a record giving the names of owners of lands subject to the charges and assessments of the District. In addition, the District shall keep and maintain, and make available for inspection, such records as may be required by federal and state law. Any books and records of the District, not subject to exclusion under Montana's Public Records law, shall be open to public inspection during business hours. All requests for copies of public records must be submitted in writing to the District Manager. The District will charge research time and material fees for public information requests. Officers, manager agent or agents of the District shall have a minimum of 30 days to process any and all public requests upon approval of release.

Section 2. County, Federal, and State Reporting/Audit. All required annual reports shall be completed and submitted to required agencies at per state statutes prior to the 1st Monday of August of each fiscal year. MCA 85-7-2107 to MCA 85-7-2109. The District shall keep or cause to be kept, in the form prescribed by the department of administration, a full and complete book and record of the accounts, records, contracts, securities, minutes of meetings, and other matters of every kind pertaining to or belonging to the operation of the irrigation district. The accounting records of all districts must be audited in accordance with MCA 2-7-503.

Section 3. Public Record Search Requirements and Associated Fees. All public request for records maintained by the board of commissioners that the District is obligated to respond to must be submitted in writing and signed by the requesting party. A fee of .10 per page will be assessed to requestor. Digital files of past meetings will be assessed at a rate of \$10.00 per request. All charges will be due to the District upon receipt of request.

ARTICLE XI. FISCAL YEAR

The fiscal year of the District shall be November 1ST thru October 31ST.

ARTICLE XII DISTRICT SEAL

The Board shall provide a District Seal, which seal shall be in the form of a circle, and contain the name of the District and reference to the District as being a District in the State of Montana residing in Lake County.

ARTICLE XIII. AMENDMENT TO BYLAWS

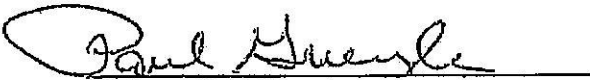
These Bylaws may be amended or repealed and new Bylaws adopted following three reading process. First reading would include introduction of Bylaw. Second reading would be of notice. Third reading would be final reading followed by a majority vote of board members at any regular meeting.

ARTICLE XIV JOINT OPERATIONS


Authority for Joint Operations of Irrigation Districts, condition on entry of agreement for Joint Operations, Withdrawal from Joint Operations, refer to STATE CODE.

Signature page of Flathead Irrigation Operating Bylaws Sanders & Lake County, Mt.

IN WITNESS WHEREOF, THE UNDERSIGNED HEREBY CERTIFY THAT THESE Bylaws of the Flathead Irrigation District were amended at a duly constituted meeting of the Board of Flathead District Commissioners held on Wednesday September 23, 2020.



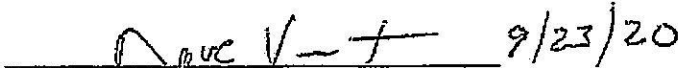
Chairman Paul Guenzler




Vice Chairman, David Lake



Secretary, Janette Rosinan

 9/23/20
Commissioner, Dave Vincent

 9-23-20
Commissioner, Bruce White