

**BY-LAWS For The Flathead County Ranch Water District**

**BY-LAWS For  
The Flathead County  
Ranch Water District**

A certificate of incorporation has been issued to the District dated December 5, 2003 and is on file in the District records. The laws covering the corporation are Section 7-13-2201 M.C.A. to 7-13-2351 M.C.A. inclusive.

# **BY-LAWS For The Flathead County Ranch Water District**

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# **BY-LAWS For The Flathead County Ranch Water District**

## **ACKNOWLEDGMENT**

I have received a copy of the FLATHEAD COUNTY RANCH WATER DISTRICT's Board Member Policy Manual, specifying policies, procedures and regulations, which I agree to observe and follow during my term as board member with the District. I have read the manual and understand the information contained in it.

Since the information in this manual is necessarily subject to change as situations warrant, it is understood that changes in the manual may supersede, revise, or eliminate one or more of the policies in this manual. As a board member, I accept responsibility for keeping informed of these changes.

Board Member Signature

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Board Member Name

Date

# **BY-LAWS For The Flathead County Ranch Water District**

## **HISTORY OF THE DISTRICT AND THE BOARD OF DIRECTORS**

The Flathead County Ranch Water District (the District) was duly incorporated according to the laws of the State of Montana and is a body politic and corporate, with the right of succession. Prior to this time, the District was an integral part of the Ranch Homeowner's Association of Flathead County, Montana.

The District has full power and authority to adopt rules and regulations to operate the public sewer systems and connections made thereto under the provisions of Title 7, Chapter 13, Parts 22 and 23, M.C.A. The service area boundaries are detailed in maps available at the Flathead County Court House or by online access at <ftp://ftp.co.flathead.mt.us/Downloadable%20Maps/Sewer%20Districts/>

As a result of the incorporation of the District, the management of the District is the responsibility of the board of directors. The Board of Directors of the Flathead County Ranch Water District (the Board) is the final authority in matters relating to the District as provided by Title 7, Chapter 13, Parts 22 and 23, M.C.A.

**BY-LAWS For The Flathead County Ranch Water District  
SECTION 2. BOARD MEMBER POLICIES.**

**ARTICLE I  
BOARD COMPOSITION**

The Board of Directors shall consist of five members duly elected pursuant to paragraphs 31-62 of the above-indicated section of the Montana Code Annotated (7-13-2232)

**ARTICLE II  
QUALIFICATIONS OF DIRECTORS**

Any director so elected or appointed shall be an owner or lessee of real property within said district or a resident therein. (7-13-2233)

**ARTICLE III  
TERM OF OFFICE**

All directors, elected or appointed, shall hold office until the election and qualification or appointment and qualification of the successors.

Except as otherwise provided, the term of office of directors elected under the provisions of parts 22 and 23 of Chapter 13, Title 7 and Title 13, Chapter 1, Part 104 shall be 4 years from and after the date of their election.

Directors elected at the first regular election under the code shall serve as follows:

1. In the District, three directors shall serve for a term of 2 years and two for a term of 4 years.
2. At their first meeting, the directors shall determine by lot which of them shall serve the term or terms less than 4 years. Every term thereafter shall be for a period of 4 years.

The first regular election of the District shall be held in November of the next odd-numbered year following the formation of the District (7-13-2234).

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SECTION 2. BOARD MEMBER POLICIES.**

**ARTICLE IV  
ELECTION AND APPOINTMENT PROCEDURE**

The election of directors of the district shall be held every two years with the election for local government officials provided for in 13-1-104(2) (7-13-2236)

The election of directors of a district in an unincorporated area, this district, may be conducted by mail ballot as provided in Title 13, Chapter 19.(7-13-2236)

All other aspects of the nomination, election and appointment of directors will be governed by Title 7, Chapter 13, part 22.(7-13-35)

**ARTICLE V  
ADVISORY BOARD MEMBERS**

The Board of Directors may appoint advisory board members to participate in the capacity of advisory members to the board. Their position may consist of, but not limited to, assisting the Board, research resources for grant applications, and general people's perspective and insight of the overall project. They would advise the Board, but have no *voting authority*.

**ARTICLE VI  
RECALL OF DIRECTORS**

Every incumbent of the elective office of director, whether elected by popular vote for a full term or elected by the Board to fill a vacancy, is subject to recall by the electors of the District.(7-13-2261)

**ARTICLE VII  
BOARD VACANCIES**

Any vacancy on the Board of Directors, whether the vacant office is elective or appointive, shall be filled by the remaining directors. (7-13-2262)

The director so elected will complete the term for the vacancy filled and, thereafter, will be subject to the same elective procedures as all directors.

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SECTION 2. BOARD MEMBER POLICIES.**

**ARTICLE VIII  
BOARD PRESIDENT**

The Board shall choose one of its members as president who shall then preside over all regular meetings and special meetings. (7-13-2271)

The president shall sign all contracts on behalf of the District and perform such other duties as may be imposed by the Board.(7-13-2272)

The president also has the authority to assign duties to the directors as required for the efficient operation of the District.

A vice president shall be chosen by the Board to conduct meetings in the absence of the president.

**ARTICLE IX  
BOARD COMPENSATION**

The Board will set the salaries of all employees and members of the Board. Other out of pocket expenses will be reimbursed at the approval of the Board of Directors. Mileage will be awarded at the current state rate.

**ARTICLE X  
CONDUCT OF DISTRICT BUSINESS**

All legislative sessions of the Board, whether regular business or special, shall be open to the public. Regular meetings will be scheduled for the second Thursday of the month.

A majority of the Board shall constitute a quorum for the transaction of business. (7-13-2274)

The Board shall act only by ordinance or resolution. (7-13-2274)

The ayes and noes shall be taken upon passage of all ordinances or resolutions and entered upon the Board minutes. No ordinance or resolution shall be passed or become effective without the affirmative votes of at least a majority of the TOTAL members of the Board. (7-13-2275)

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**SECTION 2. BOARD MEMBER POLICIES.**

The enacting clause of all ordinances passed by the Board shall be in these words: "Be it ordained by the Board of Directors of Flathead County Ranch Water District as follows:...." (7-13-2275)

All resolutions and ordinances shall be signed by the president of the Board and attested by the secretary. (7-13-2275)

Ordinances may be passed, disapproved, and/or vetoed by the electors of the District by proceeding in accordance with the methods provided by the *general laws of the state for protesting against legislation by cities and towns.* (7-13-2276)

All ordinances and resolutions shall be sequentially numbered and identified to provide the District with adequate recording and access to same. Public Water and Sewer District (PWSD)

**ARTICLE XI**  
**APPOINTMENT OF ADMINISTRATIVE PERSONNEL**

The Board shall appoint, by majority vote, an operator, a plant manager and a secretary/treasurer. No director shall be eligible for these offices. (7-13-2277)

The secretary and treasurer will usually be one and the same. (PWSD)

The operator, plant manager, secretary/treasurer shall receive such compensation as the Board shall determine, and each shall serve at the pleasure of the Board subject to restrictions established by law and detailed in the (PWSD) Employee Policy and Procedures Manual.

*The administrative personnel shall have such authority and perform such duties as outlined in 7-13-2278 and further detailed in the particular position descriptions included in the PWSD Employee Policies and Procedures Manual.* (PWSD)

All administrative personnel shall be bonded in limits determined by the Board and the expense of same shall be an expense of the District. (PWSD)

**BY-LAWS For The Flathead County Ranch Water District**  
**SECTION 2. BOARD MEMBER POLICIES.**

**ARTICLE XII**  
**EQUAL OPPORTUNITY**

All administrative personnel of the District shall be afforded the equal opportunity under the policies set by the Board.

**ARTICLE XIII**  
**RESPONSIBILITY TO ESTABLISH DISTRICT POLICY**

The Board will be responsible for the establishing of District policy and plans. These policies and plans are for the long-term health of the District and to ensure that the District continues to carry out its assigned objectives.

*The responsibility for carrying out the established policies and plans relative to the District as a whole rests with the operator, plant manager and secretary/treasurer while ensuring that the District remain in compliance with all state and local laws.*

**ARTICLE XIV**  
**DISTRICT OPERATION**

Operation of the District and specific laws regulating the operation of the sewer district are detailed in Title 7, Chapter 13, Part 23. This part is to be the basis for all ordinances, resolutions and operational decisions by the Board or the operator or plant manager. (7-13-2301)

*Each Board member should become thoroughly familiar with the content of Part 23. This section of the Code can be found at Appendix B. (PWSD)*

The Board will not be involved in the operation of the District on a day to day basis but will oversee the District operations through frequent contact with the administrative personnel and through the monthly meetings.

**ARTICLE XV**  
**FINANCE OF THE DISTRICT**

The finance of the District shall be conducted in compliance with the MCA and shall be specifically addressed in these policies. All Board conduct is governed by the MCA.

**BY-LAWS For The Flathead County Ranch Water District  
SECTION 2. BOARD MEMBER POLICIES.**

**ARTICLE XVI  
ESTABLISHMENT OF CHARGES FOR SERVICES**

The board of directors shall fix all water rates and shall, through the secretary/treasurer, collect the water charges as detailed in Title 7, Chapter 13 Part 2301 (1) through(6)

**ARTICLE XVII  
REPORTS**

The Board, from time to time, may require such reports of the secretary/treasurer and the operator and plant manager as necessary to keep properly informed on the operational matters. These reports should be adequately reflected in the minutes of the Board meetings.

**ARTICLE XVIII  
CONFLICT OF INTEREST**

Members of the board of directors, ex-officio members, advisors to the board, chief executive officers, administrative staff members, employees, volunteers and staff members with administrative responsibilities shall exercise the utmost good faith in all transactions touching upon their duties to the district. They shall not use their positions or knowledge gained therefrom, so that a conflict of interest might arise between the interest of the district and that of the individual. A full disclosure of all facts pertaining to any transaction that is subject to any doubt concerning the possible existence of a conflict of interest shall be made to the chairman of the Board of Directors before consummating the transaction.

A conflict of interest can be considered to exist in any instance where the actions or activities of an individual on behalf of the District also involve the obtaining of an improper gain or advantage, or an adverse effect on the District's interests. Examples of such actions or activities are:

1. Outside Interests
  - a. To hold, directly or indirectly, a position or a material financial interest in any outside concern from which the individual has reason to believe the District secures goods or services (including the services of buying and selling stocks, bonds or other securities) or that provides services competitive with the District.

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b. To compete, directly or indirectly with the District, in the purchase or sale of property or property rights, interests or services.

**2. Outside Activities**

To render direct, managerial or consultative services to any concern that does business with, or competes with, the services of the District, or to render other services in competition with the District.

**3. Gifts, Gratuities and Entertainment**

To accept gifts, entertainment, or other favors from any outside concern that does, or is seeking to do business with, or is a competitor of the District under circumstances from which it might be inferred that such action was intended to influence, or possible would influence the individual in the performance of his/her duties. The acceptance of personal gifts from individuals or firms doing business with the District is not considered acceptable professional conduct.

**4. Inside Information**

To disclose or use information relating to the District's business for the personal profit or advantage of the individual or his/her immediate family.

**BY-LAWS For The Flathead County Ranch Water District  
SECTION 2. BOARD MEMBER POLICIES.**

**ARTICLE I  
INDIVIDUAL BOARD MEMBER AUTHORITY**

Individual Board members do not have the authority to interfere with the daily operations or in the duties of the administrative personnel without the express consent of the Board and at no time shall act on behalf of the Board or the District without the proper authority.

No Board member will enter into any agreement on behalf of the District without the approval of a majority of the Board or the express consent of the president of the Board.

No Board member can or will make any decisions unilaterally in the name of the District. All decisions should be made in the proper conduct of Board business.

No Board member will make promises and commitments about system operations before the questions are fully discussed at meetings of the Board and before that particular Board member is authorized to make such promises and commitments on behalf of the District.

*Board members should not take an active role in the operation and maintenance of the system. A Board member doing so may cause the District to be in violation of the Code. For example, MCA. 7-13-2277(1) specifically states that no Board member is eligible for the administrative position including operator or plant manager. An active role could be construed to be performing in the capacity of operator or plant manager.*

No Board member shall assume authority in operational matters when the Board is not in session.

**ARTICLE II  
ACCESS TO INFORMATION**

Each Board Member has privilege of open access to all District information. This includes all system records, reports, and mail including correspondence with customers and regulatory agencies.

This access is obtained through specific request of the District secretary/treasurer. The request need not be formal but should be reasonable. Additionally, the balance of the Board Members may be informed of said request.

**ARTICLE III  
BOARD MEMBER NOTIFICATION**

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Each Board member has the right to expect prompt notification about certain actions by an operator or plant manager or by other Board members. This usually does not include the routine aspects of daily operations. The right of notification refers to any unusual, significant or prohibited aspects of system operation or Board member conduct.

Notification will occur promptly either by verbal or written means by the Board President.

**ARTICLE IV**  
**CONDUCT OF BOARD MEETINGS**

The Board shall meet on the second Thursday of each month, starting November 8, 2007 at the home of the district's president. The board will meet at 12:30 PM from November – April. The board will meet at 6:30 PM from May – October. The Board may cancel monthly meetings but shall be required to meet, at a minimum, on a quarterly basis. *Special meetings may be called by the president or by majority of the Board members.*

The Board meetings shall be conducted according to Roberts Rules of order unless there is a conflict under Montana statutes in which case Montana law will be followed. All meetings are open to the public. The secretary shall prepare written minutes of the meetings and shall keep them permanently on file.

Notice of Board meetings shall be given/published as provided by law.

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**SECTION 2. BOARD MEMBER POLICIES.**

**ARTICLE V**  
**PUBLICATION OF NOTICE**

Special meetings shall be posted (or published) as provided in Title 7, Chapter 1 Part 4217 (1) through (4)

**ARTICLE VI**  
**ORDER OF BUSINESS**

The President shall call the meeting to order and call for the reading and solution of the minutes, financial reports (if applicable), committee reports, and old business.

**ARTICLE VII**  
**NEW BUSINESS**

New business will be conducted as follows:

- a. The president will introduce the agenda items for Board consideration.
- b. Board will review any written testimony.
- c. Public testimony may be limited to three minutes per individual at the discretion of the president.
- d. *Closing comments by advisory staff, etc., may be limited to three minutes by president.*
- e. Public testimony closed for Board consideration and decisions.
- f. Board reserves the right to expel any person or persons from the meeting deemed to be disruptive to the orderly conduct of business.

**ARTICLE VIII**  
**PUBLIC TESTIMONY**

Public testimony will be conducted in the following fashion:

- a. President will conduct order of public testimony
- b. Board will receive public testimony in the order given:  
proponents, opponents, proponent's rebuttal, opponent's rebuttal
- c. All public testimony shall approach the stand, identify themselves and address the Board
- d. All statements, comments and questions shall be addressed to the president
- e. There will be no 'out of order' comments without proper procedures through the president

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**ARTICLE IX**  
**APPOINTMENT OF COMMITTEES**

The President, with the consent of the majority of the Board members, may appoint committees to research and compile information on business that may come before the Board.

**ARTICLE X**  
**AMENDMENT OF BY-LAWS**

These by-laws may be amended at any meeting of the Board by an official action, provided that notice of proposed amendments is given to each member in writing at least two (2) weeks prior to said meeting.

All changes to these by-laws will be documented in a revision control history maintained at the end of these by-laws.

**Revision History:**

11-14-04 – Meeting time changed from 6 PM to 6:30 PM

11-08-07 – *Meeting time changed during winter months. Location of meeting wording changed.*