

Seeley Lake Sewer District -OUR MISSION (this is on the Seeley Sewer website)

The Seeley Lake Sewer District was formed in 1992 to assist the community in determining the need and cost of a centralized sewer system. The District's goals are to:

- 1. Identify grant opportunities and other funding strategies that support an affordable sewer project*
- 2. Address water quality concerns from high density septic system influence*
- 3. Facilitate solutions related to design, construction, acquisition or financing needs for proposed improvements*

BYLAW AMENDMENTS to be considered at the November 19, 2020 board mtg.

Current Bylaws Reads:

Section 1. Purpose. It is the purpose of the District to maintain and provide a healthful environment for present and future generations and to supervise wastewater treatment within the District. *This amendment passed unanimously November 21, 2019.*

Beth's Proposed Change:

Section 1. The purpose of the District is multi-factored: a) to support and maintain a healthful environment for present and future generations in accord with state regulations, b) to determine whether centralized community wastewater treatment is needed for all or part of the District and c) to supervise wastewater treatment within the District in the most responsible, technologically reasonable and affordable manner, recognizing the diversity of economic resources of property owners and residents within the district.

Bylaw Committee recommendation- November 2020

Section 1. Purpose The purpose of the District is multi-factored: a) to support and maintain a healthful environment for present and future generations in accord with state regulations, b) to determine the appropriate wastewater treatment for all or part of the District and c) to supervise wastewater treatment within the District in the most responsible and affordable manner.

Current Bylaws Reads:

Section 14. Duties. Board directors, staff members, volunteers and any individuals appointed to committees of the Board owe attendant duties of loyalty, trust and competence to the District and the Board in carrying out the purpose and intent of the Board's duly adopted resolutions and/or ordinances pursuant to M.C.A. 2-2-103(1) and other applicable law. All persons must comply with the laws of Montana pursuant to M.C.A. 1-1-101 through 1-1-109, as may be amended, including but not limited to Mont. Const. Art. II – 9 and related case law. No person may use their own rights so as to infringe on the rights of another, pursuant to M.C.A. 1-3-205, as may be amended. "The holding of public office or employment is a public trust, created by the confidence that the electorate reposes in the integrity of public officers, legislators, and public employees. A public officer, legislator, or public employee shall

carry out the individual's duties for the benefit of the people of the state. "M.C.A. 2-2-103(1). The Montana Supreme Court has held that a fiduciary relationship has "attendant fiduciary duties of loyalty, trust, and competence". Anderson v. ReconTrust Co., N.A., 2017 MT 313, Parag. 11, 390 Mont. 12, 407 P.3d 692. Likewise, the public trust set forth in M.C.A. 2-2-103(1) has been described as requiring "a duty of loyalty and responsibility to act in the best interests of...the public" Sheehy v. Comm'r of Political Practices for Mont., 2020 MT 37, Parag. 60, 399 Mont. 26 (Justice McKinnon, concurrence). Thus, board directors, staff members, volunteers, and any individuals appointed to committees of the Board must place the best interests of the District and the Board above their own competing interests and personal beliefs when carrying out the purpose and intent of resolutions and/or ordinances that have been duly adopted by the Board. Any action taken by an individual to interfere with, delay or otherwise prevent the Board from pursuing its duly adopted resolutions and/or ordinances may constitute a conflict of interest and breach of the individual's attendant duties of loyalty, trust, and competence to the District and the Board.

Duties:

- A. To select and appoint all agents of the District, remove such agents of the District, prescribe such duties and designate such powers consistent with these Bylaws and fix their compensation and pay for such services.
- B. To prescribe, adopt and amend, from time to time, such equitable uniform rules and regulations as, in its discretion, may be deemed essential for the conduct of the business and affairs of the District and the guidance and control of its officers and employees; and to prescribe adequate penalties for the breach thereof.
- C. To order, as required by law, an independent audit of the books and accounts for the District and accept the report of the independent auditor at a regular meeting of the Board.
- D. To set an annual financial budget once a year for the management of the business of the District. The proposed budget shall be available for public review, properly noticed and a public hearing conducted prior to adoption by the Board. The budget shall be approved by a majority of the board prior to July 1 each year. The Board of Directors may, from time to time, review the budget and revise the same by a majority vote of the directors present. Any revisions in the budget that require an increase in user fees will be submitted for public notice.
- E. To review rates for sewer usage rates charged by the District as often as deemed necessary, but at least once every year, prior to the beginning of the new fiscal year, in order to fix the rate or charge for the services, facilities and benefits directly afforded or received, that will be sufficient in each year to provide income and revenue adequate for:
 - a. The payment of the reasonable expense of operation, maintenance and repair of the sewer system;
 - b. Administration of the District;
 - i. The establishment of maintenance of any required reserves, including reserves needed for expenditures for depreciation and replacement of system facilities, as may be determined necessary from time to time by the

Board or as covenanted in the ordinance or resolution authorizing the outstanding bonds of the District.

Prior to the passage or enactment of an ordinance or resolution imposing, establishing, changing, increasing rates, fees or charges for services or facilities, the Board shall order a public hearing as provided in M.C.A. 7-13-2275.

- F. To determine and require performance bonds for certain District employees deemed necessary by the directors, the costs, thereof, to be paid by the District (M.C.A 7-13-2279).
- G. To disclose any conflict of interest on agreements or contracts that will be voted on by the Board, before board or committee action. A Director or committee member having a conflict of interest shall not participate in the Board discussion or vote on the agreement or contract where a conflict exists.

The Bylaw Committee is offering four (4) options for amending Section 14. Duties.

Option A: Remove all text in Section 14. except specific duties A-G – Beth’s proposal

Option B: Substitute the following for the first paragraph of Section 14 and keep specific duties A-G:

Board directors, staff members, volunteers and any individuals appointed to committees of the Board owe attendant duties of loyalty, trust and competence to *the people* of the District and the Board in carrying out the purpose and intent of the Board’s duly adopted resolutions and/or ordinances pursuant to M.C.A. 2-2-103(1) and other applicable law, as may be amended.

Directors of the Seeley Lake Sewer District have a duty and obligation to conduct their representative activities under the parameters of 1) the US Constitution, 2) some relevant federal law, 3) the Montana State Constitution, 4) Montana Code Annotated (M.C.A.) and district by-laws, all as may be amended.

M.C.A. portions of particular utility and frequent reference are found in Titles 1, 2, 7, 13, and 15.

Option C: Remove all existing text down to the specific tasks and substitute-

Section 14: Duties. Board directors, staff members, volunteers and any individuals appointed to committees of the Board owe attendant duties of loyalty, trust and competence to *the people* of the District and the Board in carrying out the purpose and intent of the Board’s duly adopted resolutions and/or ordinances pursuant to M.C.A. 2-2-103(1) and other applicable law, as may be amended.

Specific duties A – G, listed above as in current bylaws, would remain following this substituted section.

Option D: Remove all existing text down to the specific tasks and substitute-

Section 14: Duties. Board directors, staff members, volunteers and any individuals appointed to committees of the Board owe attendant duties of loyalty, trust and competence to *the people* of the District and the Board in carrying out the purpose and intent of the Board’s duly adopted resolutions and/or ordinances pursuant to M.C.A. 2-2-103(1) and other applicable law, as may

be amended. All persons must comply with the laws of Montana pursuant to M.C.A 1-1-101 – 109, as may be amended.

This option refers to the MCA codes that address the parameters listed in Option B. These codes are in the current bylaws. See attachment of Montana Codes to see how they read.