

**CONTRACT BETWEEN THE FLATHEAD, MISSION, AND JOCKO IRRIGATION DISTRICTS  
FORMING THE FLATHEAD JOINT BOARD OF CONTROL**

May 27, 2014

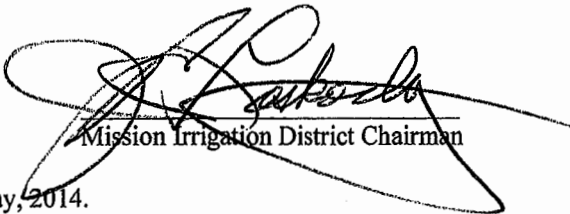
In consideration of the mutual covenants herein contained and pursuant to the authority contained in Title 85, Chapter 7, Part 16, Montana Code Annotated (2013), and the Board of Commissioners of each of the three Districts having adopted by majority vote an appropriate resolution authorizing formation of a joint board of control by contract, each District party hereto agrees as follows as signified by the signature of their Chairmen and another Commissioner and as attested by each of their Commissioners:

1. The Board of Commissioners of each District hereby enters into this written contract and hereby creates the Flathead Joint Board of Control of the Flathead, Mission, and Jocko Irrigation Districts.
2. The Boards of each District in their respective discretion deem it advisable for the best interests of their Districts, in fulfillment of their duties to their irrigator constituents, that they form the FJBC to gain the benefits of efficiency, economy, simplicity, and unity available when they are operated, managed, supervised, and maintained by a central control agency possessing the authorities conferred by state statute, without limitation, necessary to fulfill the duties of the Districts and the FJBC, including but not limited to taking all actions and instituting any proceeding necessary or proper to carry out the provisions of Title 85, Chapter 7, MCA, and to enforce, maintain, protect, or preserve any and all rights, privileges, and immunities of the Districts and the FJBC derived from any source of law or contract, including this contract.
3. The Boards agree the FJBC shall be composed of the duly elected or appointed commissioners of the Districts and an at-large member, selected by majority vote of the remaining members of the FJBC at the first regular meeting after the completion of elections each year.
4. The Boards agree a quorum of the FJBC is required to take any official action, and a quorum consists of at least one commissioner from each of the District Boards and other commissioners totaling seven.
5. The Boards agree the officers of the FJBC shall consist of a Chair, two vice-chairs, and a Secretary-Treasurer. The Chair and vice-chairs shall be the chair of each of the Districts. The initial Chair of the FJBC shall be elected from among the District chairs by a majority of all the FJBC commissioners. Thereafter, the Chair shall rotate every four months among the Chairs of each of the Districts. The Secretary-Treasurer shall be elected by a majority of all the FJBC commissioners.
6. The Boards agree, as provided by state statute, 85-7-1617, MCA, that they shall levy, collect, and pay to the board of control, proportionately on an acreage basis, the necessary costs, expenses, and charges for the general administration, maintenance, and repairs of the FJBC. Similarly, they agree that the Operation and Maintenance taxes they individually levy shall be held in a common fund by the County Treasurer for disbursement in accordance with law to the operator of the Flathead Irrigation Project. Claims against this fund will be paid by warrants signed by the Chairman of the FJBC and its Treasurer or by a Vice Chairman and Treasurer.
7. The Boards agree that an agenda for each FJBC meeting shall be established by the Chair, and that the chairs of the other two Districts have a right to place items on the agenda, by timely communication with the Chair. Other commissioners and members of the public may also request agenda items.
8. The Boards agree that if one or more of the District Boards, by majority vote, decides to exercise its authority under 85-7-1603, MCA, to withdraw from the joint board of control created by this contract, that District or Districts shall also conduct a special election to be concluded within the 90-day withdrawal period, authorized by 85-7-1712, MCA, of the irrigator-constituents of that District to determine whether they agree, pursuant to 85-1710, MCA, with that decision, that the outcome of that referendum will be binding on the District,

and that the outcome must be 2/3 in favor of withdrawing from the joint board of control to allow the withdrawal of the District from the joint board of control, and that if any lesser amount of voter support is returned in favor of that decision, the Board of that District or Districts will immediately rescind its decision to withdraw, resulting in the continuation of that District or Districts as part of the joint board of control created by this contract. The Boards further agree the judicial remedy for any attempted breach of this paragraph is specific performance by any entity or person with standing.

9. The Boards agree that in creating a joint board of control by this contract they are not absolving any District of monetary obligations it has previously incurred or any monetary obligation it incurs in the future without the approval of the joint board of control created by this contract, nor are they assuming such obligation by the FJBC.
10. The Boards agree that by creating this joint board of control they are binding their Districts to work together in the common interest of the irrigators they represent, as determined by a majority vote of the Commissioners of the joint board of control.
11. The Boards agree that compliance with state statutes regulating their conduct, in every respect and in all aspects of its business, but in particular in regard to open meetings and public disclosure of information, shall guide the actions of the FJBC.
12. The Boards agree that they shall adopt the attached bylaws of the FJBC and that these may be amended from time to time as needed without revision of this contract or its breach, but that removal of paragraph 8 of this contract or Article XIV, section 3, of the bylaws or their amendment to allow withdrawal from the FJBC on less than a 2/3 vote in the relevant District(s) requires a 3/4 vote of all FJBC commissioners.
13. The Boards agree that the FJBC formed by this contract will and has succeeded to all the assets and liabilities, of whatever nature, of the former FJBC, formed September 26, 1981, dissolved December 12, 2013, and re-established pursuant to resolutions of each District, and this contract authorized by those resolutions, in May 2014.
14. The Flathead Irrigation District agrees that it will, upon re-establishment of the FJBC under this contract containing these terms, execute appropriate legal transfer of all the right, title, and interest it acquired by quitclaim deed dated December \_\_, 2013, in the property of the former FJBC, to the FJBC created by the Districts in this contract.


Signed this \_\_\_\_ day of May, 2014.

  
Mission Irrigation District Chairman

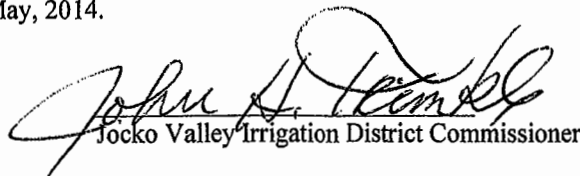
Attested and Signed this \_\_\_\_ day of May, 2014.

  
Mission Irrigation District Vice-Chairman

Signed this \_\_\_\_ day of May, 2014.

  
Jocko Valley Irrigation District Chairman

Attested and Signed this \_\_\_\_ day of May, 2014.

  
Jocko Valley Irrigation District Commissioner

CONTRACT BETWEEN THE FLATHEAD, MISSION, AND JOCKO IRRIGATION DISTRICTS FORMING THE FLATHEAD JOINT BOARD OF CONTROL

Signed this \_\_\_\_ day of May, 2014.

Wayne E Blewins  
Flathead Irrigation District Chairman

Attested and Signed this \_\_\_\_ day of May, 2014.

Stephen "Sha" Owen  
Flathead Irrigation Commissioner

# OPERATING BYLAWS OF THE FLATHEAD JOINT BOARD OF CONTROL

Missoula, Sanders and Lake County, Montana

## ARTICLE 1. OFFICE

The principal office of the FLATHEAD JOINT BOARD OF CONTROL (the "FJBC") in the State of Montana shall be located at 524 Main Street, Saint Ignatius, Montana 59865. The Board of Commissioners (the "Board" or "Commissioners") may change the principal office of the FJBC 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 Board related purposes, and in the best interests of the Board as determined by the Board, the Board 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 Boards, 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. BOARD POWERS AND DUTIES; COMMISSIONER OBLIGATIONS

**Section 1. Nature of Board.** The Board exists for the benefit of its irrigator-constituents. The Board 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 Board owns property, disposes of property, and makes decisions regarding its property only for the benefit of irrigators. The Board 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 Board's powers and authorities, including owning and protecting property, exist only to fulfill its duties to irrigators.

**Section 2. Legal Powers and Responsibilities of Board.** The Board 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 officers of local governments, Board 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 Board 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 and Board 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 or a purchaser under a recorded contract of purchase or other instrument of fee title to irrigable land situated within the *District and subject to the 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 that basis.

**Section 3. 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. 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 judgment 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 2. 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 Board 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 twelve (12) to include a Member at Large. 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. The member-at-large shall be selected annually by a majority vote of the elected commissioners.

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

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

**Section 5. Public Meetings and Records.** All meetings of the Commissioners (FJBC) shall be public and all records of the Board of Commissioners (FJBC) shall be open to public inspection during business hours.

**Section 6. Vacancies.** Any vacancy within the Board shall be filled for the unexpired portion of the term by appointment of a qualified individual from the same District as the vacancy and agreed to 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 within the Board occurs less than 25 days before a regular annual Commissioners election, the vacancy shall be filled by appointment 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 violation 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 that, 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 Board, 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 Board duties. The amount of compensation determined by the board may be no greater than \$100.

(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 Board business. (MCA 85-7-1505)

## **ARTICLE VI. OFFICERS**

**Section 1. Officers.** The FJBC shall have the following officers: a Chairman; two Vice-chairman (as determined by the Board of Commissioners); a Secretary; Member at Large; 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 officers of FJBC shall consist of a Chair, Two Vice- Chairs, designated First Vice-Chair and Second Vice Chair, and a Secretary-Treasurer. The Chair and Vice Chairs shall be the chair of each of the Districts. The initial Chair of the FJBC shall be elected from among the current District Chairs by a majority of all the FJBC Commissioners. Thereafter, the Chair of the FJBC shall rotate every four month among the Chairs each of each District. The Secretary-Treasurer shall be elected be a majority of all the FJBC Commissioners.

**Section 3. Vacancies.** Any office of the Board 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 (FJBC) may remove any officer of the Board at any time, provided they determine that such removal is in the best interests of the Board.

**Section 5. Chairman.** The Chairman of the Board shall preside at all meetings of the Board of Commissioners (FJBC) of the Board. The Chairman may sign, together with the Secretary-Treasurer, or any other officer designated by the Board, 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.** The Secretary shall keep the minutes of all meetings of 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 Board as provided by these Bylaws, by authority of the Board or applicable law.

The Secretary shall collect all charges and assessments of the Board; shall be responsible for preservation and maintenance of all funds, securities and related items of the Board, and shall maintain full and complete books of account with respect thereto. The Secretary shall deposit funds of the Board in such banks or other depositories and in such manner as is provided in these Bylaws, as directed by the Board, or as required by law.

The Secretary shall perform all duties and functions of Secretary in the conduct of Board Elections as provided by law.

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 Board 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 Board.

## **ARTICLE VII. MEETINGS**

**Section 1. Regular Monthly Meetings.** The FJBC Board shall meet in a regular monthly meeting on the second Monday 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 FJBC Board 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 Board Commissioners.

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

**Section 4. Annual Meetings.** An annual meeting of the FJBC Board 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 FJBC Board meeting, including special meetings, unless an actual emergency to which the Chair and one Commissioner or 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 FJBC Board office, sent electronically to those individuals who have provided the information necessary to do so and requested such notice, and posted on the

FJBC Boards' website. All Commissioners shall also receive a hard copy of the agenda delivered either by mail or in person. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Commissioners at the Commissioners address as it appears on the records of the Board, with postage prepaid thereon.

**Section 6. Conduct of Meetings—Public Right to Know and Participate—Civility—Timely Conduct of Business.** As local governmental entities, the FJBC Board 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 Board in a reasonable, timely manner. The Chair shall conduct meetings in an orderly fashion, generally conforming to Roberts Rules of Order.

**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 FJBC Board's office in 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 FJBC Board may be accomplished in whole or in part by telephonic conference call or other legally allowable electronic communication.

## **ARTICLE VIII. EXECUTIVE MANAGER**

**Section 1. Employment of Manager.** The FJBC Board may employ a full time Executive Manager of the Board 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 FJBC 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 Board and all employees of the Board.

**Section 3. Compensation.** Rate of compensation shall be determined by the Board of Commissioners (FJBC) 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 FJBC Board business.

## **ARTICLE IX. CONTRACTS, CHECKS, DEPOSITS AND FUNDS**

**Section 1. Contracts.** The FJBC Board may authorize any officer or officers, manager agent or agents of the Board, 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 Board, 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 FJBC Board, shall be 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 Board. Authorized signature stamp of individual FJBC Board commissioners may be utilized by any officer or officers, manager agent or agents of the Board to implement necessary actions of the board. Thirty six hour (36) notice is



required to be given to Lake County Treasurers Office prior to processing of warrants to allow appropriate funds transfer. (MCA 20-3-325 Section 2)

**Section 3. Deposits.** All funds of the FJBC Board shall be deposited from time to time to the credit of the FJBC Board 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 Board(s). (MCA 85-7-2139)

**Section 5. Increase of Tax Assessment.** The board of commissioners (FJBC) shall have the authority to increase current tax assessments at a rate of 100% per fiscal year and submit to the Lake County Treasurers 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 FJBC Board 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 the owners of lands subject to the charges and assessments of the Board. In addition, the Board 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 Board, 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 Board Manager. The Board will charge research time and material fees for public information requests. Officers, manager agent or agents of the Board 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 1<sup>st</sup> Monday of August of each fiscal year. (MCA 85-7-2107 to MCA 85-7-2109) The FJBC Board 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 Board. The accounting records of all FJBC Boards must be audited in accordance with MCA 2-7-503.

**Section 3. Public Record Search Requirements and Associated Fees.** All public requests for records maintained by the board of commissioners (FJBC) that the Board is obligated to respond to must be submitted in writing and signed by the requesting party. A fee of .10 cents per page will be assessed to requestor. Digital files of past meetings will be available for a fee of \$10.00 per individual meeting requested. All charges will be due to the Board upon receipt of request.

## **ARTICLE XI. FISCAL YEAR**

The fiscal year of the FJBC Board shall be from January 1st to December 31th.

## **ARTICLE XII. BOARD SEAL**

The FJBC Board shall provide a Board Seal, which seal shall be in the form of a circle, and contain the name of the Board and reference to the Board as being a Board 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, by a majority of the FJBC Board at any regular meeting thereof, or at any duly noticed and constituted meeting thereof.

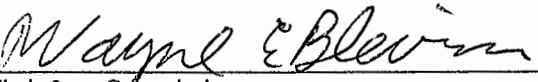
## ARTICLE XIV. JOINT OPERATIONS

**Section 1. Authority for Joint Operations of Irrigation Districts.** Whenever the board of commissioners of one or more irrigation districts, established and organized by virtue of the provisions of MCA 85-7-101 through MCA 85-7-103 shall, in their discretion, deem it advisable for the best interests of their district to operate, manage, supervise, and maintain the operation of their district jointly with another irrigation district, the said commissioners are hereby authorized and empowered to enter into written contracts for the creation of a joint board of control, if such action is taken in accordance with the statutory requirements and their bylaws.

**Section 2. Condition on entry of agreement for Joint Operations.** The District shall not enter any contract, agreement, or other legal arrangement for joint operations with another District as provided in Title 85, Chapter 7, Part 16, MCA, that requires it to accept any debt or legal liability of another district existing at the time the contract for joint operations is entered or thereafter incurred as a result of decisions of another district's board that are not the decision of the joint board or ratified by it.

**Section 3. Withdrawal from Joint Operation.** As agreed in paragraph 8 of the contract executed by the districts creating the Joint Board of Control, any district having entered into that written contract, may withdraw from such contract upon submitting to the board of control and each other district, in writing, a 90-day Notice of Withdrawal, as provided in 85-7-1603, MCA. Such notice shall also be posted in accordance with the requirements for posting an Agenda for a District meeting. Although not mandated by state law, a special election as allowed by state law and herein provided of the Irrigators shall be conducted at the expense of the district that provided the Notice of Withdrawal, the results shall be binding on the district(s), and the withdrawal by a district must be approved by a two thirds majority vote conducted pursuant to 85-7-1710 and 1712, MCA. If a 2/3 vote in favor of the proposed withdrawal is not attained, the district board shall immediately rescind its decision to withdraw. As provided in paragraph 8 of the contract created the Joint Board of Control, the judicial remedy for any attempted breach of this article and section is a specific performance by any person or entity with standing.

IN WITNESS WHEREOF, the undersigned hereby certify that these Bylaws of the FLATHEAD JOINT BOARD OF CONTROL were adopted at a duly constituted meeting of the Board of Commissioners held on Monday, May \_\_\_\_, 2014.

  
\_\_\_\_\_  
Chairman, Commissioner

  
\_\_\_\_\_  
Vice-Chairman, Commissioner

\_\_\_\_\_  
Consulting Attorney for District