

## ORDINANCE NO. 5

### AN ORDINACE AMENDING ARTICLE XI OF THE FLATHEAD COUNTY WATER DISTRICT 101 BYLAWS TO AID IN DISCLOSURE OF BOARD OF DIRECTOR CONFLICTS OF INTEREST, DECLARING AN EFFECTIVE DATE:

WHEREAS, to provide for disclosure of conflicts of interest that involve the President of the Board of Directors;

### NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE FLATHEAD COUNTY WATER DISTRICT NUMBER 101 AS FOLLOWS:

Article XI shall be removed and replaced with the following:

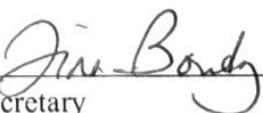
Members of the Board, advisors to the Board, officers of the District, staff members and employees shall at all times act in good faith with respect to the duties of their respective offices. They shall not use their positions or knowledge gained therefrom, so that a conflict of interest might arise between the interest of the District and that of the individual. A full disclosure of all facts pertaining to a transaction that is subject to any degree of doubt concerning the possible existence of a conflict of interest shall be made to the President of the Board of Directors before consummating the transaction. If the President is involved in the transaction, then disclosure shall be made to the Vice President of the Board of Directors. Record of the disclosure shall be recorded in the minutes of the next Board meeting, however specific details of the content of the disclosure are not required.

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 an improper or unfair gain or advantage to any party, or has an adverse effect on the District's interests.

PASSED AND APPROVED BY THE BOARD OF DIRECTORS THE SECOND DAY OF AUGUST, 2016  
AND SIGNED BY THE PRESIDENT THIS TWELFTH DAY OF DECEMBER, 2016.

  
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President

WITNESS MY HAND AND SEAL of the District, December 12, 2016.

  
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Secretary