A BILL FOR AN ACT ENTITLED: “AN ACT REVISING COUNTY WATER AND/OR SEWER DISTRICT ADMINISTRATION LAWS; REMOVING CERTAIN APPOINTED COUNTY WATER AND/OR SEWER DISTRICT BOARD POSITIONS; CLARIFYING THE DATE A DIRECTOR’S TERM OF OFFICE BEGINS; REMOVING BOND REQUIREMENTS OF CERTAIN COUNTY WATER AND/OR SEWER DISTRICT ADMINISTRATIVE PERSONNEL; AMENDING SECTIONS 7-13-2231, 7-13-2232, 7-13-2234, AND 7-13-2262, MCA; AND REPEALING SECTION 7-13-2279, MCA.”

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 7-13-2231, MCA, is amended to read:

“7-13-2231. Election or appointment of board of directors. (1) The district shall elect a board of directors, except as provided in subsection (2).

(2) If no qualified electors reside in the district at a time when directors of the district are to be elected, the directors must be appointed in a certificate of appointment. The certificate of appointment must be signed by the owners of all of the real property in the district and must contain the signed acceptance of the appointment by all of the directors.

(3) The board of directors is the governing body of the district.

(4) When an appointed director's term expires, the position must be filled by election, except as provided in subsection (2).”

Section 2. Section 7-13-2232, MCA, is amended to read:

“7-13-2232. Composition of board of directors. (1) If there are no municipalities within the boundaries of said district, the board of directors shall consist of five members or three members if there are 10 or less-fewer qualified electors in the district.
(2) In all cases where the boundaries of such district include any municipality or municipalities, said
time board, in addition to said five or three directors to be elected as aforesaid, shall consist of one additional
director for each of said municipalities within such district, each such additional director to be appointed by the
mayor of the municipality for which said additional director is allowed, and, if there be any unincorporated
territory within said district, one additional director to be appointed by the board of county commissioners of
each county containing such territory."

Section 3. Section 7-13-2234, MCA, is amended to read:

"7-13-2234. Term of office. (1) The term of office of a director begins on the first Monday of the
month following the date of the director's election or appointment. A director, elected or appointed, shall hold
office until the election and qualification or the appointment and qualification of the term of office of the
director's successor begins.

(2) Except as provided in subsection (3), the term of office of a director must be 4 years.

(3) (a) In districts requiring the election of five directors, three of the initial directors shall serve for a
term of 2 years and two of the initial directors shall serve for a term of 4 years.

(b) In districts requiring the election of three directors, one initial director shall serve for a term of 2
years and two initial directors shall serve for a term of 4 years.

(c) At the first meeting following an initial election or appointment of directors, the directors shall
determine by lot who shall serve a 2-year term.

(4) Directors to be first appointed under the provisions of this part and part 23 must be appointed
within 90 days after the formation of the district."

Section 4. Section 7-13-2262, MCA, is amended to read:

"7-13-2262. Vacancies on board of directors -- appointment. (1) (a) Except as provided in
subsections (2) and (3), any vacancy in the board of directors, whether the vacant office is elective or
appointive, must be filled by majority vote of the remaining directors.

(b) A vacancy must be determined in accordance with 7-13-2263.

(2) If there are no directors remaining on the board and no nominees for any director position to be
elected, the county commissioners may appoint the number of directors specified in 7-13-2232(1). If the district lies in more than one county, the county commissioners of each county with territory included in the district shall jointly appoint the directors. The county commissioners shall stagger the terms of the directors appointed.

(3) If the boundaries of the district include any municipality or municipalities and a new board must be appointed as provided in subsection (2), the board shall include one additional director to be appointed by the mayor of the municipality for which the additional director is allowed.

(4)(3) Following the appointment of a board in accordance with subsection (2), the directors must be elected as provided in this part."

NEW SECTION. Section 5. {standard} Repealer. The following sections of the Montana Code Annotated are repealed:

7-13-2279. Performance bonds for administrative personnel.

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